



Blake, Cassels & Graydon LLP  
Barristers & Solicitors  
Patent & Trade-mark Agents  
600 de Maisonneuve Boulevard West  
Suite 2200  
Montréal QC H3A 3J2 Canada  
Tel: 514-982-4000 Fax: 514-982-4099

October 29, 2015

VIA EMAIL

**Mtre François D. Gagnon**  
BORDEN LADNER GERVAIS LLP  
1000, De La Gauchetière Street W., Suite 900  
Montreal, QC H3B 5H4

**RE :** In the matter of the Plan of Compromise or Arrangement of:  
Bloom Lake General Partner Limited & Als.  
S.C.: 500-11-048114-157  
Your file : 296328-000001

**Bernard Boucher**  
Partner  
Dir: 514-982-4006  
bernard.boucher@blakes.com

Reference: 11573/371

Dear confrere:

We acknowledge receipt of your letter dated October 16, 2015 and of your Motion to Communicate Information and/or Documentation served on October 26, 2015 ("**Motion**").

We apologize for the delay to respond, but we were puzzled by your insistence that we provide, outside the scope of the Confidentiality Agreement executed by your clients on September 16, 2015 ("**Confidentiality Agreement**"), sensitive information about the on-going SISF which may impact its integrity and on-going negotiations with certain parties. The sensitivity of the process, the importance of entering into a Confidentiality Agreement and to uphold the integrity of the SISF was clearly explained to you in our various conversations and exchanges. We wish not to comment, deny or confirm the rumours you decided to share for no valid reason to the public. We insist that the Confidentiality Agreement be respected and request that you refrain from disrupting the on-going sale process which would be detrimental to all stakeholders.

Moreover, we would like to inform you that it is our clients' belief that your clients have potentially breached the Confidentiality Agreement. This being the case, our clients wish to reserve all their rights and recourses against your clients should the Court conclude that such has been the case. In any case, and regardless of the application of the Confidentiality Agreement, we are of the opinion that the disclosure of the name of any purported bidder on a non-confidential basis is detrimental to the integrity of the SISF process and also to the CCAA Parties' efforts to maximize realization for the benefit of their stakeholders generally and in any event should not be done without the consent of the purported bidder.

With regards to the various demands made in your letter, our clients would be amenable to provide them to your clients inasmuch as your Motion is withdrawn. Please ask your clients to confirm their agreement to the withdrawal of their motion and to the disclosure of the information as set out below:

- The name of the potential purchaser with whom our clients are endeavouring to negotiate a definitive sale agreement will be disclosed pursuant to the Confidentiality Agreement;

- The prospective purchaser has declined to consent to a copy of its offer being provided to you since negotiation of definitive documentation is ongoing;
- Access to the Moelis' solicitation list could be given to your clients, pursuant to the Confidentiality Agreement, which list will be redacted as necessary to comply with the CCAA parties' confidentiality obligations to certain parties on the list;
- Our clients are willing to grant to your clients access to the Moelis data room, pursuant to the Confidentiality Agreement;
- With respect to the precise amount of cash on hand by Bloom Lake as of October 16, 2015, we have been informed that, as of that date, Bloom Lake had on hand \$CDN 4,077,475 and \$USD 17,177,374;
- Finally, with respect to the data regarding the carrying cost of the Bloom Lake mining operation, no estimate of the annual carrying cost has been prepared. However, based on the October 23 Forecast (as defined in the Monitor's Twelfth Report), the carrying costs are estimated to be approximately \$1.8 million per month.

As further information, please note that, according to market analysts, it is forecasted that the price of the iron ore ton will continue to substantially decrease in 2016.

Regards,

**BLAKE, CASSELS & GRAYDON**



Bernard Boucher

BB/kf

c. Mtre Sylvain Rigaud, *Norton Rose Fulbright Canada*  
Mtre Steve Weisz, *Blake, Cassels & Graydon*  
Mtre Milly Chow, *Blake, Cassels & Graydon*