

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

Nº: 500-11-048114-157

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C., c. C-36, as amended)

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:**

BLOOM LAKE GENERAL PARTNER LIMITED

QUINTO MINING CORPORATION

8568391 CANADA LIMITED

CLIFFS QUÉBEC IRON MINING ULC

WABUSH IRON CO. LIMITED

WABUSH RESOURCES INC.

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP**

BLOOM LAKE RAILWAY COMPANY LIMITED

WABUSH MINES

ARNAUD RAILWAY COMPANY

WABUSH LAKE RAILWAY COMPANY LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD***
(Section 11 *ff.* of the *Companies' Creditors Arrangement Act*)

TO MR. JUSTICE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE CCAA PARTIES (AS DEFINED BELOW) SUBMIT:

1. **BACKGROUND**

1. On January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (as subsequently amended, rectified and/or restated, the "**Bloom Lake Initial Order**") commencing these proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of the Petitioners Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC ("**CQIM**") and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership ("**Bloom Lake LP**") and Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**"), as appears from the Initial Order dated January 27, 2015, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-1**.
2. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Bloom Lake CCAA Parties (the "**Monitor**") (para. 39 of the Bloom Lake Initial Order) and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the "**Bloom Lake Stay Period**") (para. 8 *ff.* of the Bloom Lake Initial Order).
3. On February 20, 2015 and on April 17, 2015, Mr. Justice Stephen W. Hamilton amended the Bloom Lake Initial Order, *inter alia*, extending the Bloom Lake Stay Period to April 30, 2015 and then to July 31, 2015, as appears from the Amended Initial Order dated February 20, 2015 and from the Order dated April 17, 2015, both of which form part of the Court record and are communicated herewith for convenience respectively as **Exhibit R-2** and **Exhibit R-3**.
4. On April 17, 2015, Mr. Justice Hamilton also issued, *inter alia*, the following orders:
 - a) an Order (the "**Sale Advisor Order**"), *inter alia*, authorizing the engagement of Moelis & Company LLC as the Bloom Lake CCAA Parties' mergers and acquisitions financial advisor (the "**Sale Advisor**"), as appears from a copy of the Sale Advisor Order, which forms part of the Court record and is communicated herewith as **Exhibit R-4**; and
 - b) an Order (the "**SISP Order**"), *inter alia*, approving sale and investor solicitation procedures (the "**Initial SISP**") in respect of the Bloom Lake CCAA Parties, as appears from a copy of the SISP Order, which forms part of the Court record and is communicated herewith as **Exhibit R-5**.
5. On May 20, 2015, Mr. Justice Hamilton, issued an Initial Order (as subsequently amended, rectified and/or restated the "**Wabush Initial Order**") extending the scope of the CCAA Proceedings to the Petitioners Wabush Iron Co. Limited ("**Wabush Iron**") and

* Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bloom Lake Initial Order (as defined herein) and the Wabush Initial Order (as defined herein).

Wabush Resources Inc. ("**Wabush Resources**") and the Mises-en-cause Wabush Mines, an unincorporated contractual joint venture (the "**Wabush Mines JV**"), Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**"; collectively with the Bloom Lake CCAA Parties, the "**CCAA Parties**"), as appears from the Initial Order dated May 20, 2015, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-6**.

6. Pursuant to the Wabush Initial Order, *inter alia*, the Monitor was appointed as the monitor of the Wabush CCAA Parties (para. 39 of the Wabush Initial Order) and a stay of proceedings was granted until June 19, 2015 (the "**Wabush Stay Period**"; collectively with the Bloom Lake Stay Period, the "**Stay Period**") (para. 7 *ff.* of the Wabush Initial Order).
7. On June 9, 2015, Mr. Justice Hamilton, issued an order (the "**Wabush Comeback Order**"), *inter alia*:
 - a) extending the Wabush Stay Period to July 31, 2015;
 - b) approving the Initial SISP as it relates to the Wabush CCAA Parties, *nunc pro tunc to the* date of the Wabush Initial Order, authorizing the amendment and restatement of the Initial SISP, and approving the amended and restated sale and investor solicitation procedures (the "**SISP**") communicated herewith as **Exhibit R-7**;
 - c) approving the engagement of the Sale Advisor as relates to the Wabush CCAA Parties, *nunc pro tunc* to the date of the Wabush Initial Order;

the whole as appears from a copy of the Wabush Comeback Order, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-8**.

8. On July 30, 2015, Mr. Justice Hamilton, issued an order, *inter alia*, extending the Stay Period to November 6, 2015, as appears from the Order dated July 30, 2015, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-9**.

2. **ORDERS SOUGHT**

9. On this Motion, the CCAA Parties hereby seek the extension of the Stay Period in respect of the CCAA Parties until January 29, 2016.

3. **THE SISP**

3.1 **Status of the SISP**

10. As outlined above, Mr. Justice Hamilton approved the SISP in respect of the Wabush CCAA Parties and the Bloom Lake CCAA Parties and the engagement of the Sales Advisor by the Wabush CCAA Parties pursuant to the Wabush Comeback Order. All initially capitalized terms in this section shall have the meanings given to them in the SISP unless otherwise defined herein.
11. The SISP contemplated two phases.

- a) The first phase of the SISP contemplated delivery of non-binding letters of intent (each, an “LOI”) to the CCAA Parties by Prospective Bidders by the deadline set out in the SISP, being May 19, 2015 (the “LOI Deadline”).
 - b) Prospective Bidder that had delivered LOIs that met certain criteria, were invited to submit binding offers in the second phase by the bid deadline determined by the CCAA Parties, in consultation with the Sale Advisor and the Monitor, being 5:00 p.m. (Montreal time) on July 16, 2015 (the “Bid Deadline”), written notice of which was provided to all Qualified Phase I Bidders and posted on the Monitor’s Website.
12. In connection with the SISP, the Sale Advisor contacted 104 potential buyers, of whom 25 executed non-disclosure agreements and were given access to the data room.
 13. By the LOI Deadline, a number of LOIs in the form of Sale Proposals were received for all or parts of the Property and Business of the CCAA Parties. As described below, the CCAA Parties are in negotiations with the potential purchasers and further details regarding the SISP as relates to the transactions entered into and sought for approval will be provided in connection with the motions for approval of such transactions at the relevant time.
 14. Promptly following the LOI Deadline, the CCAA Parties, in consultation with the Sale Advisor and the Monitor, reviewed and assessed the LOIs received in respect of the Property and Business and other materials submitted by Prospective Bidders which were in the form of Sale Proposals and applied the Sale Proposal LOI Criteria as set out in the SISP to determine whether it will be in the best interests of the applicable CCAA Parties to permit the Prospective Bidders to continue to participate in the SISP based upon the terms set out in the applicable LOI.
 15. All but two of the Prospective Bidders who submitted a LOI were determined by the CCAA Parties, in consultation with the Sale Advisor and the Monitor, to be Qualified Phase I Bidders and were thereafter provided an opportunity to complete due diligence and submit a binding offer in respect of such Sale Proposal.
 16. Pursuant to the SISP, the CCAA Parties, in consultation with the Sale Advisor and the Monitor, may at any time prior to the applicable Bid Deadline bring a motion to seek approval of a stalking horse purchase agreement in respect of some or all of the Property together with related amendments to the SISP, including with respect to an extension to the applicable Bid Deadline.
 17. The CCAA Parties, in consultation with the Sale Advisor and the Monitor, determined that a stalking horse purchase agreement was not required in the circumstances.
 18. Promptly following the Bid Deadline, the CCAA Parties, in consultation with the Sale Advisor and the Monitor, reviewed and assessed the bids received to determine which bids should be pursued. In making such assessment, they considered, among other things, the Sale Proposal Bid Criteria set out in the SISP.
 19. The CCAA Parties also sought a number of clarifications from Qualified Bidders and the CCAA Parties are in the process of attempting to negotiate definitive purchase and sale agreements with the Qualified Bidders, subject to Court approval, in respect to certain of

the Property of the CCAA Parties, including the Bloom Lake Mine and the Pointe Noire Facility.

20. Regrettably, no offers were received for the Wabush Mine. Liquidation proposals had also been sought for the moveable equipment and the Wabush CCAA Parties are in the process of negotiating the sale, subject to Court approval, of the moveable equipment located at the Wabush Mine.
21. The extension of the Stay Period is necessary to permit the CCAA Parties, in consultation with the Sale Advisor and the Monitor, to complete the negotiation of definitive purchase and sale agreements for various parts of the Property of the CCAA Parties, to seek Court approval thereof and, if approved, and to close such transactions.
22. As definitive purchase and sale agreements are entered into, the CCAA Parties will bring such definitive purchase and sale agreements to the Court for approval thereof, on notice to the service list as required by the Bloom Lake Initial Order and the Wabush Initial Order.
23. Wabush Resources and Wabush Iron have entered into a definitive purchase and sale agreement for the sale of certain Bunker C type fuel as more particularly described in the *Motion for the Issuance of an Approval Order with Respect to the Sale of Certain Assets* ("**Bunker C Approval Motion**") filed concurrently with the present Motion.

4. EXTENSION OF THE STAY PERIOD

4.1 General Developments

24. Since the issuance of the Bloom Lake Initial Order and the Wabush Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence.
25. More specifically, since the Stay Period was last extended on July 30, 2015, the CCAA Parties have, with the assistance of and in consultation with the Monitor, respectively, *inter alia*:
 - a) met regularly with the Monitor and provided the Monitor with full co-operation and complete access to the CCAA Parties' Property, premises and books and records;
 - b) implemented procedures for the monitoring of the CCAA Parties' operations and financial circumstances, including receipts and disbursements;
 - c) held meetings and discussions with certain of the CCAA Parties' creditors, suppliers and other stakeholders;
 - d) negotiated an arrangement with SMS Equipment Inc. ("**SMS**") in relation to the return of certain of SMS's property in the possession of the Bloom Lake CCAA Parties to SMS and the return of certain of the Bloom Lake CCAA Parties' property in the possession of SMS to the applicable Bloom Lake CCAA Party, and negotiated and entered into an agreement regarding the settlement of a claim asserted by SMS and the related right of retention as appears from the motion filed in the Court record concurrently with the present Motion;

- e) communicated with applicable environmental authorities in relation to the property of the CCAA Parties;
 - f) communicated on an ongoing basis with employees of the CCAA Parties with respect to the CCAA Proceedings, including meeting with existing employees at the CCAA Parties' Montreal head office, providing written materials (in both French and English) and advising employees with respect to the Monitor's website, hotline and mailbox so that employees can obtain additional information and/or contact the CCAA Parties or the Monitor directly;
 - g) continued to carry out the SISP in accordance with the terms thereof;
 - h) met or held discussions with parties potentially interested in purchasing or investing in certain of the CCAA Parties' Property or Business and have been negotiating with such interested parties towards definitive purchase and sale agreements, subject to Court approval, in respect of the CCAA Parties' Property and/or Business;
 - i) reviewed a number of liquidation proposals with the assistance of the Monitor and compared such liquidation proposals to the results of the bids received in respect of the SISP and negotiated with persons submitting such liquidation proposals;
 - j) entered into an agreement to sell the Bunker C fuel, the approval of which is sought by way of the Bunker C Approval Motion filed concurrently with the present Motion;
 - k) obtained approval for the suspension of certain pension amortization payments and post-retirement employee benefits by the Wabush CCAA Parties, and dealt with affected parties' leave to appeal such approval;
 - l) developed a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their directors and officers (the "**Claims Procedure**"), the approval of which is sought by way of a motion filed concurrently with the present motion;
 - m) continued to wind down the business to minimize expenses, including terminating certain employees and reducing operations; and
 - n) responded to stakeholders' inquiries and various claims and correspondence.
26. It is respectfully submitted that the extension of the Stay Period to January 29, 2016 is required to provide all CCAA Parties with sufficient time to, *inter alia*:
- a) complete negotiations and close various transactions in respect of the CCAA Parties' Property and/or Business pursuant to or in relation to the SISP and/or liquidation proposals, as applicable;
 - b) implement the Claims Procedure with respect to the CCAA Parties;

- c) wind-down the parts of the Businesses of the CCAA Parties not sold or subject to a liquidation proposal; and
 - d) determine how best to distribute to creditors the sale proceeds of the various transactions to be completed pursuant to the SISF and liquidation proposals, as applicable.
27. It is anticipated that the requested extension of the Stay Period until January 29, 2016, will afford the CCAA Parties sufficient time to progress the foregoing, to seek Court approval of transactions and to complete any transactions that are approved.
28. The Monitor has advised the CCAA Parties that it supports the requested extension of the Stay Period. The Monitor will file a report regarding the proposed extension of the Stay Period.
29. The Monitor's report will also include the CCAA Parties' revised and extended cash flow forecast. Subject to the underlying assumptions therein, the CCAA Parties believe that there is sufficient liquidity to fund their participation in these CCAA Proceedings until January 29, 2016.
30. The Interim Facility was scheduled to expire at the end of November 2015, pursuant to the Interim Financing Term Sheet. In accordance with the terms of the Interim Financing Term Sheet, the outside maturity date of the Interim Financing has been extended to February 19, 2016 as appears from the letter agreement extension communicated herewith as **Exhibit R-10**.
31. It is the position of the CCAA Parties that the CCAA Parties have acted and are acting with good faith and due diligence, circumstances exist that make the extension of the Stay Period appropriate and no parties will be materially prejudiced by the extension of the Stay Period.
32. In light of the foregoing, the CCAA Parties respectfully ask this Court to extend the Stay Period to January 29, 2016, the whole subject to all other terms of the Bloom Lake Initial Order and the Wabush Initial Order.

5. PROCEDURAL MATTERS

33. The CCAA Parties submit that the notices given of the presentation of the present Motion are proper and sufficient.
34. Pursuant to paragraph 54 of the Bloom Lake Initial Order and paragraph 56 of the Wabush Initial Order, all motions in these CCAA Proceedings are to be brought on not less than ten (10) calendar days' notice to all Persons on the service list. Each motion must specify a date (the "**Initial Return Date**") and time for the hearing.
35. The service of the present Motion serves as notice pursuant to paragraphs 47 and 54 of the Bloom Lake Initial Order and paragraphs 47 and 56 of the Wabush Initial Order.
36. Paragraph 55 of the Bloom Lake Initial Order and paragraph 57 of the Wabush Initial Order require that any Person wishing to object to the relief sought on a motion in the CCAA Proceedings must serve responding motion materials or a notice stating the

objection to the motion and grounds for such objection (a “**Notice of Objection**”) in writing to the moving party and the Monitor, with a copy to all persons on the service list, no later than 5 p.m. Montréal time on the date that is four (4) calendar days prior to the Initial Return Date (the “**Objection Deadline**”). Accordingly, any parties wishing to object to the relief sought on this Motion must serve responding motion materials or a Notice of Objection by no later than 5 p.m. Montréal time on October 30, 2015.

37. Paragraph 56 of the Bloom Lake Initial Order and paragraph 58 of the Wabush Initial Order further provide that if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion may determine whether a hearing is necessary, whether such hearing will be in person, by telephone or in writing and the parties from whom submissions are required (collectively, the “**Hearing Details**”).
38. Paragraph 57 of the Bloom Lake Initial Order and paragraph 59 of the Wabush Initial Order provide that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

6. CONCLUSIONS

39. In light of the foregoing, the CCAA Parties hereby seek the issuance of an Order substantially in the form of the draft Order communicated herewith as **Exhibit R-11**, which provides for the extension of the Stay Period in respect of the CCAA Parties until January 29, 2016.
40. The present Motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Motion;

ISSUE an order in the form of the draft Order communicated in support hereof as Exhibit R-11;

WITHOUT COSTS, save and except in case of contestation.

Montréal, October 23, 2015



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the CCAA Parties

AFFIDAVIT

I, the undersigned, **CLIFFORD T. SMITH**, the Executive Vice-President and a director of Bloom Lake General Partner Limited and Cliffs Québec Iron Mining ULC, the President of Wabush Resources Inc. and Wabush Iron Co. Limited, and Vice-President of Arnaud Railway Company and Wabush Lake Railway Company Limited, each having a place of business at 1155 Robert-Bourassa Boulevard (formerly Rue University), Suite 508, in the city and district of Montréal, Québec, solemnly affirm that all the facts alleged in the present *Motion for the Issuance of an Order Extending the Stay Period* are true.


AND I HAVE SIGNED:



CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio
this 23rd day of October, 2015

Notary Public



ADAM D. MUNSON, Atty.
NOTARY PUBLIC
STATE OF OHIO
My Commission Has No
Expiration Date
Section 147.03 R.C.

NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the present *Motion for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before the Honourable Stephen W. Hamilton, J.S.C., or another of the honourable judges of the Superior Court, Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **November 5, 2015** at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, October 23, 2015


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the CCAA Parties

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF **MONTREAL**

SUPERIOR COURT

Commercial Division

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

N^o: 500-11-048114-157

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:**

**BLOOM LAKE GENERAL PARTNER LIMITED,
QUINTO MINING CORPORATION,
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CLIFFS QUÉBEC IRON MINING ULC
WABUSH IRON CO. LIMITED
WABUSH RESOURCES INC.**

Petitioners

and

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP
BLOOM LAKE RAILWAY COMPANY LIMITED
WABUSH MINES
ARNAUD RAILWAY COMPANY
WABUSH LAKE RAILWAY COMPANY LIMITED**

Mises-en-cause

and

FTI CONSULTING CANADA INC.

Monitor

LIST OF EXHIBITS

(In support of the *Motion for the Issuance of an Order Extending the Stay Period*)

-
- R-1 Initial Order in respect of the Bloom Lake CCAA Parties dated January 27, 2015;
- R-2 Amended Initial Order in respect of the Bloom Lake CCAA Parties dated February 20, 2015;
- R-3 Order dated April 17, 2015;
- R-4 Sale Advisor Order dated April 17, 2015;
- R-5 SISP Order dated April 17, 2015;
- R-6 Initial Order in respect of the Wabush CCAA Parties dated May 20, 2015;
- R-7 SISP;

- R-8 Wabush Comeback Order dated June 9, 2015;
- R-9 Order dated July 30, 2015;
- R-10 Letter agreement extension in respect of the Interim Financing Term Sheet;
- R-11 Draft Order.

The exhibits are available at the following link:

<https://blakes.sharefile.com/d-s636551b1fa041afb>

Montréal, October 23, 2015


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the CCAA Parties

N° : 500-11-048114-157

**SUPERIOR COURT
DISTRICT OF MONTREAL
(Commercial Division)**

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:
BLOOM LAKE GENERAL PARTNER LIMITED & AL.**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP & AL.**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD, AFFIDAVIT,
NOTICE OF PRESENTATION
AND EXHIBITS**

ORIGINAL

M^{re} Bernard Boucher

BB-8098

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The logo for Blakes, featuring the word "Blakes" in a stylized, cursive script font.