

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

SUPERIOR COURT

Commercial Division

(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act, R.S.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 A SANCTION ORDER
(Sections 6 and 11 of the *Companies' Creditors Arrangement Act*)

**TO THE HONOURABLE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONOURABLE
JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR
THE DISTRICT OF MONTRÉAL, THE PETITIONERS AND THE MISES-EN-CAUSE SUBMIT:**

1. INTRODUCTION

1. By way of the present Motion, Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation (“**Quinto**”), Cliffs Québec Iron Mining ULC (“**CQIM**”), Wabush Iron Co. Limited (“**Wabush Iron**”), Wabush Resources Inc. (“**Wabush Resources**”) and the Mises-en-cause, The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”), Wabush Mines and Arnaud Railway Company (“**Arnaud**”) (collectively, the “**Participating CCAA Parties**”) seek the sanction of the Participating CCAA Parties’ Plan in these CCAA Proceedings substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Draft Sanction Order**”), containing, *inter alia*, declarations and orders to the effect that:
 - a) the Meetings were duly called, convened, held and conducted on June 18, 2018, in accordance with the CCAA and the Amended Meetings Order;
 - b) the following conditions for the sanction of the Plan have been met:
 - i) the Plan has been approved by the Required Majority in each Unsecured Creditor Class voting in conformity with the CCAA and the Amended Meetings Order;
 - ii) the Participating CCAA Parties have complied in all respects with the provisions of the CCAA and all the Orders made by this Court in the CCAA Proceedings;
 - iii) the Court is satisfied that the Participating CCAA Parties have neither done nor purported to do anything that is not authorized by the CCAA; and
 - iv) the Participating CCAA Parties have each acted in good faith and with due diligence, and the Plan and its implementation are fair and reasonable;
 - c) the Plan is sanctioned pursuant to section 6 of the CCAA and, as at the Plan Implementation Date, will be effective and will enure to the benefit of and be binding upon the Participating CCAA Parties and all other persons named or referred to in the Plan or in the Sanction Order;
 - d) the dissolution of certain CCAA Parties is approved; and
 - e) other ancillary declarations and orders.
2. Section 11.3(c) of the Amended and Restated Joint Plan of Compromise and Arrangement dated May 16, 2018 (as may be further amended, restated or supplemented from time to time, the “**Plan**”), requires that the Sanction Order be granted by June 29, 2018 for implementation of the Plan. The Sanction Order required under the Plan is substantially in the form of Schedule “E” to the Plan or otherwise in form and content acceptable to the Participating CCAA Parties, the Monitor and the Parent, in each case acting reasonably. A blackline of the Draft Sanction Order being requested in this Motion, against the draft form of Sanction Order attached to Schedule “E” to the Plan, which was previously filed with the Court with the Motion for the Amended and

Restated Plan Filing and Meetings Order, is attached as **Exhibit R-2**. The changes between the Draft Sanction Order and the previous version represent clarifications requested by the Participating CCAA Parties and the Canada Revenue Agency. The form of the Draft Sanction Order is acceptable in form and content to the Participating CCAA Parties, the Monitor and the Parent.

3. The capitalized terms not otherwise defined in this Motion have the meanings ascribed to them in the Definitions to the Draft Sanction Order, Schedule B of Exhibit R-1.

2. PROCEDURAL BACKGROUND

4. 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 the CCAA Proceedings pursuant to the CCAA in respect of BLGP, Quinto, 8568391 Canada Limited ("**8568391**") and CQIM and the Mises-en-cause Bloom Lake LP and Bloom Lake Railway Company Limited ("**BLRC**") (collectively, the "**Bloom Lake CCAA Parties**"), the whole as appears from the Court record.
5. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor to the businesses and financial affairs of the Bloom Lake CCAA Parties (the "**Monitor**") and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the "**Bloom Lake Stay Period**").
6. 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 Wabush Iron and Wabush Resources and the Mises-en-cause Wabush Mines, Arnaud and Wabush Lake Railway Company Limited ("**Wabush Railway**") (collectively, the "**Wabush CCAA Parties**", and collectively with the Bloom Lake CCAA Parties, the "**CCAA Parties**"), the whole as appears from the Court record.
7. Pursuant to the Wabush Initial Order, *inter alia*, the Monitor was appointed as the monitor to the businesses and financial affairs of the Wabush CCAA Parties 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**").
8. The Stay Period has been extended on several occasions, most recently to June 29, 2018, subject to further extension pursuant to the CCAA Parties' *Motion for the Issuance of an Order Extending the Stay Period*, filed with the Court on June 18, 2018 (the "**Stay Motion**") and scheduled to be heard by this Court on the same day as this Motion.
9. Pursuant to the Bloom Lake Initial Order and the Wabush Initial Order, the Participating CCAA Parties have the authority to file with the Court and to submit to their creditors a plan of compromise or arrangement in accordance with the CCAA.
10. On April 20, 2018, Mr. Justice Hamilton issued a Plan Filing and Meetings Order, which, *inter alia*, accepted the filing of a Joint Plan of Compromise and Arrangement (the "**Original Plan**") dated April 16, 2018 by the Participating CCAA Parties (which then included Wabush Railway), authorized the Participating CCAA Parties to hold meetings of Unsecured Creditor Classes to consider and vote on a resolution to approve the Original Plan, and appointed Representative Counsel and USW Counsel as proxy holders for the Salaried Members and USW Members, respectively, for the purposes of

casting the votes of the Salaried Members and the USW Members at meetings of creditors (each a “**Deemed Proxy**”), all subject to the right of Salaried Members and USW Members to opt-out of the Deemed Proxy.

11. On May 18, 2018, Mr. Justice Hamilton issued an Amended and Restated Plan Filing and Meetings Order (the “**Amended Meetings Order**”), which, *inter alia*, accepted the Plan for filing by the Participating CCAA Parties, and authorized the Participating CCAA Parties to hold meetings of Classes of Affected Unsecured Creditors to consider and vote on a resolution to approve the Plan, the whole as appears from the Court record.
12. As of the date hereof, substantially all material assets of the Participating CCAA Parties have been sold and, with the exception of certain sale proceeds distributed to parties with Secured Claims or other Priority Claims, the Monitor currently holds the net sale proceeds from these transactions, together with any Cash on hand at the commencement of these CCAA Proceedings.

3. SANCTION OF THE PLAN

3.1 The Plan

13. At the hearing on the Motion for the Amended Meetings Order, held May 18, 2018, this Court granted an oral motion presented by the Monitor’s Counsel to modify section 11.3 of the Plan, thereby making it possible for the Parties to waive the condition precedent at 11.3(i) of the Plan, which required the Monitor’s Counsel to hold in escrow fully executed Notice of Discontinuance for the Pension Priority Appeal before the Court of Appeal of Quebec.
14. This modification was necessary as it was not possible to obtain a signed Notice of Discontinuance from the Attorney General of Canada prior to the date specified in the Plan. However, the Attorney General of Canada has provided an undertaking to the Monitor that it will provide an executed Notice of Discontinuance immediately following written confirmation by the Monitor of Plan implementation and the filing of the Plan Implementation Certificate.
15. Aside from the correction of an incorrect date in the recitals, there have not been any amendments to the Plan since the issuance of the Amended Meetings Order.
16. If sanctioned, and all other conditions precedent are satisfied or waived, as applicable, the Plan will:
 - a) resolve significant intercompany claims between the CCAA Parties and between the CCAA Parties and Non-Filed Affiliates;
 - b) resolve potential claims between the CCAA Parties and Non-Filed Affiliates, including the Non-Filed Affiliate Transaction Matters;
 - c) resolve the claims as asserted pursuant to the Non-Filed Affiliate Employee Actions;
 - d) resolve the OPEB Claims and Other Employee Claims;

- e) settle the priority arguments in connection with the claims arising from any failure of the Wabush CCAA Parties to make certain normal course payments or special payments under the Wabush CCAA Parties' pension plans and for the wind-up deficit under the Wabush CCAA Parties' pension plans pursuant to the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Standards Act* (Canada) and the *Supplemental Pension Plans Act* (Québec);
 - f) guarantee aggregate distributions of CDN.\$36 million for the Pension Claims pursuant to the establishment of two Pension Cash Pools: the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool;
 - g) provide for the payment of Employee Priority Claims and the Government Priority Claims, as required by sections 6(3), 6(5) and 6(6) of the CCAA;
 - h) provide significant additional monetary recovery to Affected Third Party General Unsecured Creditors; and
 - i) accelerate a timely distribution to Affected Third Party General Unsecured Creditors, as soon as reasonably practicable after Plan implementation.
17. Pursuant to the Plan Filing and Meetings Order dated April 20, 2018 (as amended and restated by the Amended Meetings Order), the Salaried Members Representative Counsel and USW Counsel hold Deemed Proxies in respect of Eligible Voting Claims related to employment matters, excluding Pension Claims which will be voted by the Pension Plan Administrator. Prior to the Meetings, the Salaried Members Representative Counsel and USW Counsel, *inter alia*, entered into plan support agreements with the Participating CCAA Parties.
18. Prior to the Meetings, the Pension Plan Administrator and Quebec North Shore and Labrador Railway Company Inc., the largest single creditor of the CCAA Parties, also entered into plan support agreements with the Participating CCAA Parties to vote in favour of the Plan and to confirm their support of the Plan.
19. The Monitor recommended that Affected Unsecured Creditors vote in favour of the Plan.

3.2 The Meetings and Notice Thereof

20. On May 25, 2018, the Monitor sent out the Meeting Materials and Employee Creditor Letters to provide Creditors' with notice of the Plan and the details thereof, and published same on its website, the whole in accordance with the terms of the Amended Meetings Order.
21. The Meetings were held in accordance with the Plan and the Amended Meetings Order, as will be further described in the Monitor's Report to the Court on the Sanction of the Plan, to be filed prior to the hearing on the present Motion.
22. At the Meetings held on June 18, 2018, all six classes of Affected Unsecured Creditors set out in the Amended Meetings Order voted in favour of the Plan. The results of the votes were as follows:

	Voting Claims in favour (in number)	Voting Claims in favour (value of class)	Voting Claims and Unresolved Voting Claims in favour (in number)	Voting Claims and Unresolved Voting Claims in favour (value of class)
CQIM/Quinto Unsecured Creditor Class	100%	100%	100%	100%
BL Parties Unsecured Creditor Class	100%	100%	96.15%	95.97%
Wabush Mines Parties Unsecured Creditor Class	100%	100%	100%	100%
Wabush Pension Claims Class	100%	100%	100%	100%
Arnaud Unsecured Creditor Class	100%	100%	100%	100%
Arnaud Pension Claims Class	100%	100%	100%	100%

4. APPROVAL AND SANCTION OF THE PLAN AND ISSUANCE OF THE SANCTION ORDER

23. Following approval of the Plan by the Required Majority entitled to vote at the Meetings, the Participating CCAA Parties hereby seek the sanction and approval of the Plan by the Court.

24. In order to sanction a plan of compromise or arrangement, the Court must be satisfied that the following three criteria have been met:

- a) there has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
- b) nothing has been done or purported to be done that is not authorized by the CCAA; and
- c) the plan put forward is fair and reasonable.

4.1 Strict Compliance with Statutory Requirements and Adherence to Court Orders

25. The Participating CCAA Parties have strictly adhered to all statutory requirements of the CCAA and to all Orders issued by the Court in these CCAA Proceedings.

26. The Plan meets the CCAA statutory requirements that a plan of arrangement must meet before the Court can sanction the plan:

- a) The majority required for the approval and sanction of a plan of compromise and arrangement by section 6(1) CCAA has been satisfied;

- b) Section 4.3 of the Plan provides that amounts payable under sections 6(3), 6(5) and 6(6) CCAA are Unaffected Claims that shall not be compromised under the Plan;
- c) Section 5.8 of the Plan provides for the payment of Government Priority Claims and Employee Priority Claims which are Proven Claims, if any, as required by sections 6(3) and 6(5) CCAA. The Draft Sanction Order provides that these claims will be paid in accordance with the CCAA, including payment of claims subject to section 6(3) CCAA within the six-month time period required therein;
- d) Section 6(6) CCAA requires that the court be satisfied that the debtor can and will make the pension plan payments required under Section 6(6)(a). Section 5.4(b)(ii) of the Plan provides that to the extent not previously paid, all Third Party Secured Claims shall receive payment on account of the Allocated Value of their Proven Third Party Secured Claims as soon as reasonably practicable after the Plan Implementation Date. Secured Claims as defined in the Plan expressly include claims pursuant to section 6(6) CCAA. The Monitor has informed the CCAA Parties that the Pension Plan Administrator had previously asserted a claim in the approximate amount of \$13,000, pursuant to section 6(6) CCAA. However, that claim was resolved as a result of the settlement reached with the Pension Plan Administrator in connection with the Plan, and there are therefore no pension claims that would fall under section 6(6) CCAA;
- e) The Monitor has received late claims filed by the USW on behalf of Ms. Lucie Lévesque in the aggregate amount of \$8,903.34, including a claim in the amount of \$57.67 asserted pursuant to section 6(5) CCAA. Should this Court allow the late filing of said claims pursuant to a Motion by the USW also scheduled to be heard by this Court on the same day as this Motion, the Monitor has confirmed that the said claim asserted pursuant to section 6(5) CCAA would be paid forthwith after Plan implementation;
- f) In accordance with section 6(8) CCAA, the Plan does not provide for payment of any equity claims, as all claims that are not equity claims are not being paid in full. Equity interests remain unaffected by the Plan; and
- g) The Plan only provides for the arrangement of debts and liabilities of the Participating CCAA Parties that were incurred before the date of the Bloom Lake Initial Order or Wabush Initial Order, as applicable, as required by section 19(1) CCAA.

4.2 All Actions Have Been Authorized by the CCAA

- 27. All of the Participating CCAA Parties' actions since the commencement of the CCAA Proceedings have been authorized by the CCAA and by various Orders of the Court.

4.3 The Plan is Fair and Reasonable

- 28. The Plan is fair and reasonable for the reasons summarized below and as further outlined in the Monitor's Forty-Fourth Report dated March 22, 2018, communicated herewith as **Exhibit R-3** and in the Monitor's Forty-Sixth Report dated May 24, 2018,

communicated herewith as **Exhibit R-4**. The Monitor will also file a further report to the Court in connection with this Motion and the proposed sanction of the Plan.

29. First, Affected Unsecured Creditors were provided with notice and mailed information on the Plan, the whole pursuant to and in compliance with the terms of the Amended Meetings Order.
30. Second, the Required Majority approved the Plan at the Meetings and an overwhelming majority of Affected Unsecured Creditors voted in favour of the Plan.
31. Third, the following applicable jurisprudential considerations weigh on the side of sanctioning the Plan:
 - a) claims have been properly and fairly classified, with no secret arrangements advantaging any creditor or group of creditors;
 - b) as set out in the Monitor's Report on the Plan, the Plan allows for greater recovery to creditors of the Participating CCAA Parties generally than other alternatives, including in liquidation or bankruptcy, and is therefore clearly more advantageous for stakeholders;
 - c) the Plan allows for greater speed and certainty of recovery; and
 - d) all Government Priority Claims and Employee Priority Claims will be paid, in accordance with the CCAA.
32. The third-party releases sought in the Plan, other than the releases in favour of the Non-Filed Affiliate Released Parties, are customary releases.
33. The third-party releases in favour of the Non-Filed Affiliate Released Parties are essential to the Non-Filed Affiliates' participation and sponsorship of the Plan. These releases are fundamental to the Plan which would not proceed in the absence thereof.

4.4 Conditions Precedent to Implementation

34. Since the Plan has been approved by the Required Majority entitled to vote at the Meetings, the Draft Sanction Order provides that the Plan shall become binding and effective upon all Affected Creditors if the Sanction Order is granted and the other conditions to implementation of the Plan are satisfied or waived in accordance with the Plan, as evidenced by the filing of the Plan Implementation Date Certificate by the Monitor.
35. Section 11.3 of the Plan sets out the conditions precedent to implementation of the Plan. Condition precedent 11.3(d) requires that the Sanction Order shall have become a Final Order. Accordingly, the Plan requires that the Plan Implementation Date be before July 31, 2018 and interim distributions are expected as soon as practical thereafter. The interim distributions are more fully discussed in the CCAA Parties' Stay Motion.
36. The Draft Sanction Order also provides that, following the Plan Implementation Date Certificate, the Monitor has the authority and is directed to file Notices of Discontinuance in respect of the Pension Priority Proceedings with the Court of Appeal of Quebec, the

Newfoundland Reference Appeal with the Supreme Court of Canada, and the Non-Filed Affiliate Employee Actions with the Newfoundland and Labrador Supreme Court Trial Division (General).

37. The conditions precedent to Plan Implementation are more fully set out in section 3.2 of the CCAA Parties' Stay Motion.

5. DISSOLUTIONS OF BLRC, 8568391 AND WABUSH RAILWAY

38. The Draft Sanction Order provides that CQIM be authorized to wind-up 8568391 and BLRC, and that Wabush Iron and Wabush Resources be authorized to wind-up and dissolve Wabush Railway, as soon as practicable following the issuance of the Sanction Order.

5.1 BLRC

39. BLRC is a wholly-owned subsidiary of CQIM.
40. At the time of the Bloom Lake Initial Order, BLRC had suspended its operations and had no employees and that remains the case at the date of this Motion.
41. BLRC's primary business was the operation of a short-line railway comprising a 32 kilometre rail spur contained wholly within Newfoundland & Labrador (the "**Bloom Lake Railway**"). The Bloom Lake Railway connected the Bloom Lake Mine to the railway operated by Northern Land Company Limited (the "**Northern Land Railway**"), the Québec North Shore & Labrador Railway Company Inc. operated railway (the "**QNS&L Railway**"), and ultimately to the railway owned by Arnaud (the "**Arnaud Railway**") running from the junction where the Arnaud Railway meets the QNS&L Railway north of the Town of Sept-Iles, Québec, to the Bay of Sept-Iles, Québec, for the transport of iron ore concentrate ultimately to the Pointe-Noire Port located at the Port of Sept-Iles. The sale of the Bloom Lake Railway as part of the sale of the Bloom Lake Mine to Investissement Québec and Société Ferroviaire et Portuaire de Pointe-Noire S.E.C. was authorized pursuant to an Approval and Vesting Order issued on February 1, 2016, the whole as it more fully appears from the Court record, and closed on April 11, 2016.
42. As disclosed in the Fortieth Report of the Monitor dated October 6, 2017 (the "**Monitor's Fortieth Report**"), BLRC has no creditors as determined by the Claims Process conducted in accordance with the Amended Claims Procedure Order. In addition, the Monitor has informed the CCAA Parties that, pursuant to the Post-Filing Claims Procedure Order, no post-filing claims were filed against BLRC by the applicable claims bar date.
43. BLRC has net proceeds of approximately \$570,000 from the sale of the Bloom Lake Railway assets after application of the Allocation Methodology. As part of the proposed winding-up and dissolution process, BLRC would transfer the aforementioned monies to CQIM as BLRC's sole shareholder.

5.2 8568391

44. 8568391 is a wholly-owned subsidiary of CQIM. At the time of the Bloom Lake Initial Order, 8568391 had no employees and that remains the case at the date of this Motion. 8568391 owns no assets beneficially.
45. 8568391's only purpose was to hold bare legal title to the Mont Wright Camp and related assets located at Mont Wright (the "**Mont Wright Camp**") near the iron ore mine and processing facility located approximately 13 kilometres north of Fermont, Québec, in the Labrador Trough, known as the Bloom Lake mine (the "**Bloom Lake Mine**"). The sale of the Mont Wright Camp to 10165581 Canada Inc. was authorized pursuant to an Approval and Vesting Order issued on May 16, 2017, the whole as it more fully appears from the Court record, and closed that same date.
46. As disclosed in the Monitor's Fortieth Report, 8568391 has no creditors as determined by the Claims Process conducted pursuant to the Amended Claims Procedure Order.
47. With respect to Post-Filing Claims, the Monitor has informed the CCAA Parties that one claim was filed against 8568391 in the post-filing claims process by the applicable bar date. Revenu Quebec has asserted a claim in the amount of \$277.22 with respect to certain tax return filing fees. Given the *de minimis* amount at issue, the Monitor, in connection with the CCAA Parties, proposes that this claim be allowed and paid.

5.3 Wabush Railway

48. Wabush Railway is a federally regulated railway and wholly owned subsidiary of Wabush Iron and Wabush Resources.
49. Wabush Railway transported iron ore concentrate from the Scully mine to the Pointe-Noire port. Wabush Railway's operations were discontinued prior to the Bloom Lake Initial Order.
50. Wabush Railway has no assets, all assets having been divested in the sale of the Wabush mine to Tacora Resources Inc. in July 2017, which the Court approved the sale on June 26, 2017. Pursuant to the Asset Purchase Agreement (Schedule N, "Allocation of Purchase Price"), communicated herewith as **Exhibit R-5**, no value was allocated to Wabush Railway's assets.
51. The only pre-filing claims against Wabush Railway under the Amended Claims Procedure Order are in respect of the Pension Claims and USW OPEB Claims, which are being settled in connection with the proposed Plan, and Wabush Mines. These claims, to the extent valid, will be released under the Plan.
52. Pursuant to the Post-Filing Claims Procedure Order, no post-filing claims were filed against Wabush Railway by the applicable claims bar date.
53. Following implementation of the Plan, Wabush Railway will be a solvent entity as a result of the releases granted under the Plan and will be dissolved as soon as practicable thereafter.

5.4 Dissolution

54. The Participating CCAA Parties have been informed by the Monitor that the only post-filing claim against 8568391, by Revenu Quebec, is negligible and the Monitor proposes to allow it and that it be paid prior to wind-up. There are no other claims, whether pre-filing or post-filing, against BLRC, 8568391 or Wabush Railway. They do not have any operations or employees.
55. The Draft Sanction Order therefore provides that CQIM be authorized to wind-up 8568391 and BLRC, and that Wabush Iron and Wabush Resources be authorized to wind-up and dissolve Wabush Railway, as soon as practicable following the issuance of the Sanction Order.
56. The Draft Sanction also provides that, upon filing of each of the Dissolution Confirmation Certificates and Certificates of Dissolution of 8568391, BLRC and Wabush Railway, the CCAA Proceedings shall be terminated in respect of the entity set out in the applicable Certificate of Dissolution and the Monitor shall be discharged of its duties as Monitor, except as necessary to perform incidental duties as may be required.

6. DISTRIBUTION AND PAYMENTS BY THE MONITOR ON BEHALF OF THE PARTICIPATING CCAA PARTIES

57. The Monitor will facilitate the payment and distribution of funds, on behalf of the Participating CCAA Parties and the Non-Filed Affiliates, pursuant to the Plan.
58. The Monitor, in its capacity as an independent court officer, undertakes such distributions and payments solely for the purpose of facilitating the Plan and the protections provided to the Monitor relating to such distributions and payments are appropriate and reasonable in the circumstances. Without such protections, the Monitor would not perform this function, which would be a material impediment to effecting timely distributions under the Plan.

7. PROCEDURAL MATTERS

59. The Participating CCAA Parties submit that the notices given of the presentation of the present Motion are proper and sufficient.
60. Pursuant to paragraph 46 of the Amended Meetings Order, the service of the Amended Meetings Order by the CCAA Parties to the parties on the Service List and delivery of the Meeting Materials and Employee Creditor Letters in accordance with paragraphs 8 and 9 thereof and the posting of the Meeting Materials and the Employee Letter on the Monitor's Website in accordance with Paragraph 10 thereof constitutes good and sufficient notice of the Sanction Motion. All of the foregoing steps were taken.
61. In accordance with paragraph 49 of the Amended Meetings Order, any Person wishing to oppose the motion for the Sanction Order must serve upon the parties on the Service List and file with the Court a copy of the materials to be used to oppose the motion by no later than 5:00 p.m. (Eastern Time) on June 26, 2018 or, if applicable, four days prior to any adjourned or re-scheduled motion for the Sanction Order (the "**Objection Deadline**").

8. CONCLUSIONS

62. In light of the foregoing, the Participating CCAA Parties hereby respectfully seek the issuance of a Sanction Order substantially in the form of the Draft Sanction Order (Exhibit R-1) which provides, *inter alia*, for the approval and sanction of the Plan.
63. The Participating CCAA Parties also seek declarations that the notice provided for presentation of the present Motion was proper and sufficient so that this Motion is properly returnable on June 29, 2018.
64. 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 substantially in the form of the Draft Sanction Order communicated in support hereof (Exhibit R-1);

WITHOUT COSTS, save and except in case of contestation.

Montréal, June 18, 2018


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises en cause

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 and a director of Bloom Lake Railway Company Limited and 8568391 Canada Limited, the President of Wabush Resources Inc., the President and a director of Wabush Iron Co. Limited, the Vice-President and a director of Arnaud Railway Company Limited and Wabush Lake Railway Company Limited, and a director of Quinto Mining Corporation, having a place of business at 1 Place Ville Marie, Bureau 3000, Montréal, Québec, H3B 4N8, solemnly affirm that all the facts alleged in the present *Motion for Issuance of a Sanction Order* are true.

AND I HAVE SIGNED:



CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio, on this
18 day of June, 2018


Notary Public

ROSEMARY HAUSWALD
NOTARY PUBLIC
FOR THE
STATE OF OHIO
My Commission Expires
October 7, 2020

NOTICE OF PRESENTATION

TO: Service List

AND: Office of the Superintendent of Bankruptcy Canada
Montreal Division Office
Sun Life Building
1155 Metcalfe Street, Suite 950
Montréal (Quebec) H3B 2V6
Attention : François Leblanc
Email : ic.osbservice-bsfservice.ic@canada.ca

AND: Official Receiver for the Division of Montreal
Office of the Superintendent of Bankruptcy Canada
Montreal Division Office
Sun Life Building
1155 Metcalfe Street, Suite 950
Montréal (Quebec) H3B 2V6
Attention : François Leblanc
Email : ic.osbservice-bsfservice.ic@canada.ca

TAKE NOTICE that this *Motion for the Issuance of a Sanction Order* 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 **June 29, 2018**, at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, June 18, 2018


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises en cause

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Commercial Division

(Sitting as a court designated pursuant to the *Companies'*
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Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

LIST OF EXHIBITS

(In support of the *Motion for the Issuance of a Sanction Order*)

R-1 Draft Sanction Order

R-2 Blackline (Draft Sanction Order against the draft form of Sanction Order attached as Schedule "E" to the Plan, filed with the Court with the Motion for the Amended and


Restated Plan Filing and Meetings Order)

R-3 Monitor's Forty-Fourth Report, dated March 22, 2018

R-4 Monitor's Forty-Sixth Report, dated May 24, 2018

R-5 Asset Purchase Agreement, dated June 2, 2017

Montréal, June 18, 2018



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises-en-cause

8567912.10

N°: 500-11-048114-157

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

**IN THE MATTER OF THE PLAN OF COMPROMISE
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-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF A SANCTION
ORDER, AFFIDAVIT, NOTICE OF PRESENTATION
AND EXHIBITS R-1 TO R-5
(Sections 6 and 11 CCAA)**

ORIGINAL

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

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