

**C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL**

**NO: 500-11-048114-157**

**S U P E R I O R C O U R T  
( C O M M E R C I A L D I V I S I O N )  
(SITTING PURSUANT TO THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C., C. 36)**

**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

**MOELIS & COMPANY LLC**

Mise-en-cause

and

**IRON ORE COMPANY OF CANADA**

Objecting Party

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**NOTICE OF OBJECTION BY IRON ORE COMPANY OF CANADA TO  
THE MOTION FOR THE ISSUANCE OF AN ORDER IN RESPECT OF THE WABUSH CCAA  
PARTIES : (1) GRANTING PRIORITY TO CERTAIN CCAA CHARGES, (2) APPROVING A  
SALE AND INVESTOR SOLICITATION PROCESS NUNC PRO TUNC, (3) AUTHORIZING  
THE ENGAGEMENT OF A SALE ADVISOR NUNC PRO TUNC, (4) GRANTING A SALE  
ADVISOR CHARGE, (5) AMENDING THE SALE AND INVESTOR SOLICITATION PROCESS,  
(6) SUSPENDING THE PAYMENT OF CERTAIN PENSION AMORTIZATION PAYMENTS  
AND POST-RETIREMENT EMPLOYEE BENEFITS, (7) EXTENDING THE STAY OF  
PROCEEDINGS, AND (8) AMENDING THE WABUSH INITIAL ORDER ACCORDINGLY  
(THE “MOTION”)**

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**TO THE HONOURABLE JUSTICE STEPHEN W. HAMILTON, J.S.C. OF THE SUPERIOR  
COURT SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTREAL, THE  
OBJECTING PARTY, IRON ORE COMPANY OF CANADA, RESPECTFULLY SUBMITS<sup>1</sup>:**

1. For the reasons outlined below, and pursuant to paragraph 57 of the Wabush Initial Order, Iron Ore Company of Canada (“**IOC**”) hereby objects to the Motion on the basis that it improperly purports to affect or impair its valid contractual rights.
2. IOC and petitioner Wabush Iron Co. Limited (“**Wabush Iron**”) share a longstanding and complex business relationship and are together parties to several agreements.
3. For one, IOC and Wabush Iron each directly or indirectly own one half (50%) of the issued outstanding common stock of Northern Land Company Limited (the “**Northern Land Shares**”).
4. An August 3, 1959 Subscription Agreement between Wabush Iron, IOC, and Northern Land Company Limited (the “**Subscription Agreement**”) notably provides at its Sections 6 and 7 that no holder of the Northern Land Shares may transfer any portion thereof, except as specifically provided for under the Subscription Agreement (the “**Transfer Restrictions**”).
5. Sections 6 and 7 of the Subscription Agreement further provide that neither Wabush Iron nor IOC is to transfer its respective portion of the Northern Land Shares to unrelated third parties, unless the other party has first been offered and has refused to purchase same (the “**Right of First Refusal**”).
6. The Subscription Agreement further confers several additional contractual rights upon IOC and its related entities.
7. On January 27, 2015, the Court issued the Bloom Lake Initial Order.
8. On or about April 2, 2015, the Bloom Lake CCAA Parties filed a “Motion for an Order Approving a Sale and Investor Solicitation Procedure” with respect to certain Property and Businesses including, *inter alia*, those owned Wabush Iron, a Non-CCAA Party.

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<sup>1</sup> Capitalized terms shall have the meaning given to them in the Motion, unless otherwise defined herein.

9. On or about April 13, 2015, IOC filed a Notice of Objection with respect to the Initial SISP Motion on the grounds, *inter alia*, that it purported to affect or impair IOC's contractual rights vis-à-vis Wabush Iron.
10. On April 17, 2015, this Court, *inter alia*, granted the Initial SISP Motion and authorized the implementation of the Initial SISP, while specifically preserving the contractual rights of IOC and its related companies.
11. In particular, the Court ordered as follows:

**[9] DECLARES** that the Order approving the [Initial] SISP shall not affect or impair the rights of the Iron Ore Company of Canada or its related companies (hereinafter the "IOC") vis-à-vis the Non-CCAA Parties, including but not limited to, the rights pursuant to the Subscription Agreement dated August 3, 1959 referred to in IOC's Notice of objection dated April 13, 2015.

...

**[11] RESERVES** the right of IOC, SIPA and of MFC to raise any contractual rights at a later stage if need be."

12. On May 20, 2015, the Court issued the Wabush Initial Order, on an *ex parte* basis, in favour of Wabush Iron and the other Non-CCAA Parties, as of then referred to as the "**Wabush CCAA Parties**".
13. On May 29, 2015, the Wabush CCAA Parties filed the present Motion, which asks the Court to issue an order providing for, *inter alia*:
  - (i) *nunc pro tunc* approval of the terms of the SISP as at the Wabush Filing Date as it relates to the Wabush CCAA Parties, and *nunc pro tunc* authorization and direction of the Wabush CCAA parties, the Monitor and the Sale Advisor as of the Wabush Filing Date to take such steps as they consider necessary or desirable in carrying out the SISP as relates to the Wabush CCAA Parties in accordance with its terms; and
  - (ii) *amending* and restating the Initial SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings, in the form of the SISP (Exhibit R-9).
14. Paragraphs 51 to 55 of the Motion address the treatment of "Contractual Rights Relating to the SISP". The effects of the SISP on the Contractual Rights of third parties, such as those accruing to IOC under the Subscription Agreement, are notably addressed as follows:
  31. The Wabush CCAA Parties are of the view that fully honouring these Contractual Rights would impair their ability to maximize the value of their Businesses and Property for the benefit of their stakeholders, as it would have a chilling effect on other potentially interested parties.

15. As compensation for any eventual failure by a Wabush CCAA Party to “fully honour” such Contractual Rights, paragraph 55 of the Motion purports to offer a “reasonable accommodation” to Contractual Rights Holders by placing them on the list of Prospective Bidders under the SISP.
16. In light of the above, IOC objects to the Motion on the following grounds:
  - i) The Motion alleges – or at least strongly implies – that the Wabush CCAA Parties will fail to “fully honour” certain Contractual Rights with third parties such as IOC.
  - ii) The allegations in the Motion pertaining to the CCAA Parties’ future respect of binding contractual rights of third parties such as IOC are at best ambiguous and cast serious doubt upon the fairness, transparency and integrity of the SISP and its continued implementation.
  - iii) Said allegations ostensibly ignore the April 17, 2015 Order approving the Initial SISP, in which the Court specifically declared not to affect or impair the contractual rights of IOC vis-à-vis Wabush Iron. Wabush Iron’s subsequent filing under the CCAA does not excuse it from complying with this Order.
  - iv) The proposed “reasonable accommodation” offered by the Wabush CCAA Parties as compensation to victims of an eventual contractual breach has no foundation at law and has not been negotiated with IOC.
  - v) Participating in the SISP does not prevent or excuse the Wabush CCAA Parties from fully honouring their binding contractual obligations with IOC.
  - vi) In sum, the Wabush CCAA Parties are essentially asking this Court to pre-emptively validate the anticipated breach of their binding contractual obligations, as concluded in good faith between the parties, with no perceptible benefit to their creditors.

**FOR THE REASONS SET FORTH ABOVE, MAY IT PLEASE THE COURT TO**

**DISMISS**, in part, the Motion for the issuance of an Order in respect of the Wabush CCAA Parties: (1) Granting Priority to Certain CCAA Charges, (2) Approving a Sale and Investor Solicitation Process *Nunc Pro Tunc*, (3) Authorizing the Engagement of a Sale Advisor *Nunc Pro Tunc*, (4) Granting a Sale Advisor Charge, (5) Amending the Sale and Investor Solicitation Process, (6) Suspending the Payment of Certain Pension Amortization Payments and Post-Retirement Employee Benefits, (7) Extending the Stay of Proceedings, and (8) Amending the Wabush Initial Order Accordingly.

**DECLARE** that the Order granting the Motion shall not affect or impair the contractual rights of IOC and its related companies vis-à-vis the Wabush CCAA Parties, including Wabush Iron Co. Limited, and shall in no way be otherwise construed.

**DECLARE** that the SISP is to be carried out without prejudice and in respect of any contractual rights held by IOC and its related companies vis-à-vis the Wabush CCAA Parties, including Wabush Iron Co. Limited.

**THE WHOLE** without costs, save and except in the event of contestation, and then with costs solidarily against any contesting party.

**Montréal, this 5<sup>th</sup> day of June 2015**

***(s) Langlois Kronström Desjardins*** <sup>LLP</sup>

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**LANGLOIS KRONSTRÖM DESJARDINS** <sup>L.L.P.</sup>  
**Counsel for the Objecting Party Iron Ore  
Company of Canada**

N° : 500-11-048114-157

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Superior Court (Commercial Division)  
District of Montreal

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT OF:**

**BLOOM LAKE GENERAL PARTNER LIMITED  
QUINTO MINING CORPORATION  
8568391 CANADA LIMITED  
CLIFFS QUÉBEC IRON MINING ULC  
WABUSH IRON CO. LIMITED  
WABUSH RESOURCES INC.**

Debtors

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

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Monitor

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PROCESS, (6) SUSPENDING THE PAYMENT OF CERTAIN PENSION  
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BENEFITS, (7) EXTENDING THE STAY OF PROCEEDINGS, AND (8)  
AMENDING THE WABUSH INITIAL ORDER ACCORDINGLY**

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ORIGINAL

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