

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

No: 500-11-048114-157

**SUPERIOR COURT
(Commercial Division)**

**IN THE MATTER OF THE
COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, 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 QUEBEC
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

-and-

**MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON**

OBJECTING PARTIES-Mises-en-cause

-and-

**UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285**

Mises-en-cause

-and-

**MORNEAU SHEPELL
Mise-en-cause**

**NOTICE OF OBJECTION BY MORNEAU SHEPELL, IN ITS CAPACITY AS THE
PENSION PLAN ADMINISTRATOR, TO THE MOTION BY THE CCAA PARTIES
FOR THE ISSUANCE OF A PLAN FILING AND MEETINGS ORDER**
(Sections 11 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36)

TO THE HONOURABLE MR. JUSTICE STEPHEN W. HAMILTON, J.S.C., OR TO ONE OF THE HONOURABLE JUDGES SITTING IN THE COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE OBJECTING PARTY-MISE-EN-CAUSE RESPECTFULLY SUBMITS THE FOLLOWING:

In accordance with the procedure for motions in paragraph 55 of the Amended Initial CCAA Order dated February 20, 2015, Morneau Shepell, in its capacity as Pension Plan Administrator, objects to the Motion by the Monitor for the "Issuance of a Plan Filing and Meetings Order" (the "**Plan Filing and Meetings Motion**" or the "**Motion**") returnable on March 26, 2018, on the following basis.

1. The Motion by the CCAA Parties was served on the Service List on Monday, March 19, 2018 at 12:26 p.m., Atlantic Time, with a return date of Monday, March 26, 2018. Any notice of objection must be filed by 5:00 p.m. EST on Thursday, March 22, 2018.
2. Morneau Shepell was given no prior notice of the Motion, including the proposed Plan of Compromise and Arrangement, creditor meeting schedule, and Sanction Order. Morneau Shepell was not consulted with respect to any of these matters.
3. Morneau Shepell objects to the Motion on the ground that the CCAA Parties have provided creditors with an unreasonably short time to review the motion material, consider its implications, and to seek clarification on a number of issues from the CCAA Parties and Monitor. The Motion should be adjourned to provide creditors a reasonable amount of time to understand the proposed procedure and its implications, if any, for creditors.

4. The motion material raises many questions. For example, the Plan proposes to consolidate certain companies and unsecured creditor classes. The so-called “Wabush Mines Unsecured Creditor Class” includes unsecured creditors of WICL, WRI and Wabush Mines. The Pension Plans have claims against WICL and WRI. The Forty-Third Monitor’s Report notes the following in a footnote on page 16:

3 The allowed claims of QNS&L represent approximately 66% of third-party claims against CQIM, 79% of third-party claims against BLGP, 65% of third-party claims against Bloom Lake LP, 49% of third-party claims against WICL and 29% of third-party claims against WRI. These estimates make certain assumptions regarding the outcome of unresolved claims, including that the Pension Claims are unsecured. [emphasis added]

Given that the allowed claims of QNS&L represent different percentages of the unsecured claims against WICL and WRL, it is unclear what, if any, effect the proposed consolidation has on the potential recovery of other unsecured creditors, which may include the Pension Plans.

5. Another question is how the Pension Claims will be treated for voting purposes under the proposed Plan given that the pension priority issues have not been finally determined. Will the wind-up deficits be treated as secured or unsecured claims? What if the Court of Appeal subsequently decides differently? The CCAA Parties are seeking to have the Plan sanctioned by this Court prior to the hearing of the pension priority issues by the Court of Appeal.
6. A further issue is that there is no carve out from the proposed releases in the Plan and Sanction Order for the Salaried Class Action and the USW Class Action, although the Forty-third Monitor’s Report states in paragraph 47 that the releases “... will explicitly not release claims as asserted...” in the two Class Actions. The Class Actions are relevant to the Pension Plans because they seek, among other relief, declarations that Cliffs Mining Company is an “Employer” under the Union and Salaried Pension Plans and is required to pay all contributions owing to the Plans including the wind-up deficiencies.

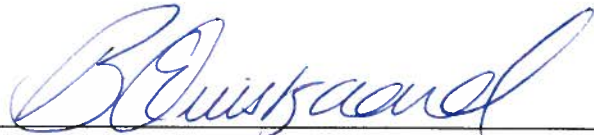
7. Morneau Shepell also objects to the Motion on the ground that, even though the proposed Plan will hold all distributions to Wabush Parties creditors until the pension priority issues are finally determined, it is nevertheless unfair and unreasonable to require unsecured creditors of the Wabush Parties to vote on a proposed Plan while the pension priority issues are outstanding and the funds available to unsecured creditors remain uncertain.

FOR THESE REASONS THE OBJECTING PARTY-MISE-EN-CAUSE ASKS THAT THIS HONOURABLE COURT:

- [A] **GRANT** the present Notice of Objection;
- [B] **ADJOURN** the Initial Return Date for the Plan Filing and Meetings Motion until such time as Morneau Shepell has had the full opportunity to review all information relative to this motion with the Monitor and other affected stakeholders;
- [C] **DISMISS** the Motion and require the CCAA Parties to provide such additional information as is necessary for Representative Counsel to make an informed decision on the appropriateness of the proposed Plan Filing and Meetings Order.

THE WHOLE WITHOUT COSTS, EXCEPT IN THE CASE OF CONTESTATION.

Halifax, March 22, 2018.



**Ronald A. Pink, Q.C. and Bettina Quistgaard
PINK LARKIN**

Counsel for Morneau Shepell, in its Capacity as
Pension Plan Administrator

NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the present *Notice of Objection to the Motion for the Issuance of a Plan Filing and Meetings Order* will be presented for adjudication before The Honourable Mr. Justice 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 Montreal, at the Montreal Courthouse located at 1 Notre-Dame Street East, Montreal, Québec, March 26, 2018 at a room and at a time to be determined.

GOVERN YOURSELF ACCORDINGLY.

Halifax, March 22, 2018

A handwritten signature in blue ink, appearing to read "B. Quistgaard", written over a horizontal line.

**Ronald A. Pink, Q.C. and Bettina Quistgaard
PINK LARKIN**

Counsel for Morneau Shepell, in its Capacity as
Pension Plan Administrator

No. 500-11-048114-157
SUPERIOR COURT
(Commercial Division)
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF:
THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP
AND
WABUSH RESOURCES INC.
AND
WABUSH IRON CO. LIMITED
PETITIONERS
AND
FTI CONSULTING CANADA INC.
MONITOR
AND
MORNEAU SHEPELL, in its capacity as Replacement
Pension Plan Administrator
MISE-EN-CAUSE

NOTICE OF OBJECTION
to the Motion for the Issuance of a Plan Filing and Meetings Order
to be heard on March 26, 2018

ORIGINAL

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