

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. 36, as amended)

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N°: **500-11-048114-157**

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

**BLOOM LAKE GENERAL PARTNER LIMITED  
QUINTO MINING CORPORATION  
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

-and-

**TWIN FALLS POWER CORPORATION  
CHURCHILL FALLS (LABRADOR) CORPORATION  
LIMITED**

Mises-en-cause

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**MOTION FOR THE WINDING UP AND DISSOLUTION, DISTRIBUTION OF ASSETS,  
REIMBURSEMENT OF MONIES AND ADDITIONAL RELIEF<sup>1</sup>**  
(Section 11 of the *Companies' Creditors Arrangement Act* and Sections 214 and 241 of the  
*Canada Business Corporations Act*)

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<sup>1</sup> 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).

**TO THE HONOURABLE MR. JUSTICE MICHEL PINSONNAULT, 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. 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 ("**BLGP**"), Quinto Mining Corporation, 8568391 Canada Limited ("**8568391**") and Cliffs Québec Iron Mining ULC ("**CQIM**") and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership ("**BLLP**") 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.
2. 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**").
3. 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 Wabush Resources Inc. ("**Wabush Resources**", and collectively with Wabush Iron, "**Wabush**") and the Mises-en-cause Wabush Mines and Arnaud Railway Company (collectively, the "**Wabush CCAA Parties**", and collectively with the Bloom Lake CCAA Parties, the "**CCAA Parties**"), the whole as appears from the Court record.
4. 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 (collectively with the Bloom Lake Stay Period, the "**Stay Period**").
5. The Stay Period has been extended on several occasions, most recently on February 19, 2020, and currently expires on November 30, 2020, as appears from the Court record.
6. On July 30, 2018, Mr. Justice Hamilton issued an order sanctioning the Amended and Restated Joint Plan of Compromise and Arrangement dated as of May 16, 2018, as modified (the "**Plan**"), the whole as appears from the Court record.
7. On July 31, 2018, the Monitor issued the Plan Implementation Date Certificate, confirming the implementation of the Plan on July 31, 2018, the whole as appears from the Court record.
8. During the CCAA Proceedings, the CCAA Parties have sold all of their assets other than Wabush's interest in Twin Falls Power Corporation ("**Twinco**").

9. Pursuant to the Plan, the net proceeds of sales and other recoveries are to be distributed to the creditors of the Participating CCAA Parties in accordance with the terms and conditions of the Plan.
10. Since the implementation of the Plan, the CCAA Parties, with the assistance of the Monitor, have been working to wind down the estates of the CCAA Parties so that the net proceeds from such recoveries and realizations can be finally distributed to their creditors as soon as possible.
11. The initial interim distributions to Affected Creditors with Proven Claims under the Plan took place in August and September 2018.
12. The CCAA Parties have been informed by the Monitor that a significant majority of the creditors of Wabush are former employees of Wabush Mines, many of whom are elderly, and who are reasonably assumed to be anxious to receive their final distributions as soon as possible.

## 2. ORDER SOUGHT

13. On this Motion, the CCAA Parties hereby seek the issuance of an Order:
  - a) confirming Churchill Falls (Labrador) Corporation Limited's ("**CFLCo**") liability for Twinco's maintenance obligations and environmental liabilities related to the Twinco Plant (as defined below) from and after July 1, 1974;
  - b) compelling an accounting from Twinco of all monies expended by Twinco in respect of maintenance and environmental costs that have not been reimbursed by CFLCo pursuant to the CFLCo Indemnity and CFLCo Maintenance Obligations (collectively, the "**Reimbursable Environmental/Maintenance Costs**");
  - c) directing CFLCo to reimburse all Reimbursable Environmental/Maintenance Costs (such amount to be reimbursed by CFLCo, being the "**CFLCo Reimbursement**") to Twinco for distribution to the shareholders as part of the winding up and dissolution of Twinco pursuant to the relief requested in paragraph (d) below;
  - d) directing the winding up and dissolution of Twinco pursuant to section 214 and/or section 241(3)(l) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "**CBCA**") and a distribution of: (i) the Twinco Cash (as defined below) net of all reasonable fees and expenses incurred by Twinco to implement and complete the wind up and dissolution being sought in this Motion (the "**Remaining Twinco Cash**"), and (ii) the CFLCo Reimbursement to Twinco's shareholders, including Wabush, on a pro rata basis;
  - e) in the alternative to (d), directing Twinco and/or CFLCo to purchase the shares of Twinco held by Wabush pursuant to section 214(2) and/or section 241(3)(f) of the CBCA for a purchase price equal to the amount of Wabush's pro rata share of: (i) the Twinco Cash, and (ii) the CFLCo Reimbursement; and
  - f) such further and other relief as this Honourable Court deems just;

substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Draft Order**”).

### 3. OVERVIEW OF FACTS

#### 3.1 Twin Falls Power Corporation

14. Twinco is an incorporated joint venture formed under the CBCA on February 18, 1960 among CFLCo, Wabush Iron, Wabush Resources, and the Iron Ore Company of Canada (“**IOC**”), among others.
15. Until July 1, 1974, Twinco operated a power generating plant (the “**Twinco Plant**”) in Newfoundland & Labrador.
16. According to the FY2019 Audited Financial Statements of Twinco as at December 31, 2019 (the “**FY2019 Audited Financial Statements**”), Twinco is owned 33.3% by CFLCo, who holds all Class A Common Shares, and 49.6% by IOC, 4.6% by Wabush Iron and 12.5% Wabush Resources, who hold the Class B Common Shares. Wabush Iron and Wabush Resources together hold 17.062% of the equity in Twinco (the “**Twinco Interest**”). A copy of the FY2019 Audited Financial Statements is communicated herewith as **Exhibit R-2**.
17. Pursuant to Twinco’s Articles of Continuance dated August 1, 1980 (“**Articles of Continuance**”): (i) the shareholders are entitled to share rateably in the remaining property of Twinco upon dissolution; and (ii) each Class A Common Share is entitled to four votes per share, while each Class B Common Share is entitled to one vote per share. Accordingly, the voting rights of Twinco are held by CFLCo at 66.7%, IOC at 24.8% and Wabush at 8.5%. A copy of Twinco’s Articles of Continuance as obtained from Twinco’s counsel is communicated herewith as **Exhibit R-3**.
18. Pursuant to the Participation Agreement (as defined below), CFLCo has the right to appoint three directors of Twinco for every director nominated by IOC, Wabush Resources and Wabush Iron.
19. On July 14, 2017, the then two nominee directors of Wabush, Patrick Ryan and Clifford Smith, resigned in conjunction with the sale by Wabush of the Scully Mine, which was the last material asset of the CCAA Parties to be sold in these CCAA Proceedings. No replacement nominees of Wabush have been appointed to the Twinco Board.
20. According to a Federal Corporation Information Report dated as of August 19, 2020, the current directors of Twinco are Oral Burry, James Meany, Dana Pope, Michael Roberts, James Haynes, Benoit Palmer and Maurice McClure. Based on the names of their employers as noted in their LinkedIn profiles, it is the CCAA Parties’ understanding that Benoit Palmer and Maurice McClure are IOC nominees and the remaining five directors, being employees of Nalcor Energy (“**Nalcor**”), which is the parent company of CFLCo, are CFLCo nominees. A copy of Federal Corporation Information Report is communicated herewith as **Exhibit R-4**.
21. Pursuant to a water power Sublease and Site and Easement Sublease (each as defined below) with CFLCo, Twinco obtained, among other things, the rights to develop a 225 megawatt hydroelectric generating plant on the Unknown River in Labrador (the “**Twinco**”).

**Plant**") which was formerly used to supply power to the iron ore mines in Labrador City, the Town of Wabush, Wabush Iron and IOC, among others, and for the construction of the Churchill Falls hydroelectric generating station in Churchill Falls, Newfoundland (the "**Churchill Falls Plant**").

22. CFLCo owns and operates the Churchill Falls Plant, a hydro-electric generating station, located twenty-five miles from the Twinco Plant. CFLCo is controlled through a 65.8% interest by Newfoundland and Labrador Hydro ("**NL Hydro**"), whose parent company is Nalcor.
23. Pursuant to Twinco's FY2019 Audited Financial Statements, Twinco has approximately \$6.1 million in cash and cash equivalent assets (the "**Twinco Cash**") and approximately \$46,000 of liabilities.
24. Throughout its lifetime, Twinco has owned a number of assets, including: (i) the physical building which houses the Twinco Plant and which is built into the rockface of the Twin Falls (the "**Twinco Building**"); (ii) the transmission lines from the Twinco Plant to its consumers (the "**Twinco Transmission Lines**"); and (iii) the equipment which comprises the Twinco Plant and was used in the production of hydro-electric power (the "**Twinco Machinery**", and collectively with the Twinco Building and Twinco Transmission Lines, and such other assets of Twinco, the "**Twinco Assets**").
25. Twinco has informed the CCAA Parties in the Nalcor Response (as defined below) that all of the Twinco Assets have been transferred or reverted to CFLCo, among others, with the result that Twinco currently owns no assets other than the Twinco Cash.

### **3.2 Rights and Agreements**

26. There are three main documents which govern the Twinco joint venture: the Sublease dated November 15, 1961 (as amended, the "**Sublease**"), the Operating Lease dated November 30, 1967 (as amended, the "**Operating Lease**"), and the Participation Agreement dated January 2, 1977 (the "**Participation Agreement**", and collectively, the "**Material Agreements**"). Copies of the Sublease, Operating Lease, and the Participation Agreement are communicated herewith as **Exhibit R-5**, **Exhibit R-6**, and **Exhibit R-7**, respectively.

#### **3.2.1 The Participation Agreement**

27. The Participation Agreement serves as the *de facto* unanimous shareholders' agreement for the Twinco joint venture.
28. Section 12 of the Participation Agreement provides that certain fundamental decisions of Twinco require the unanimous approval of the shareholders, which approval shall not be withheld unreasonably from the standpoint of the self-interest of the corporation withholding such approval.
29. Fundamental decisions of Twinco include making any "major corporate change" such as the sale of substantially all of Twinco's assets. A winding up and dissolution would constitute a "major corporate change".

30. Pursuant to Twinco's bylaws, decisions of the Twinco Board of Directors not expressly requiring unanimous shareholders' approval are decided by majority vote of the directors. A copy of Twinco's bylaws as obtained from Twinco's counsel is communicated herewith as **Exhibit R-8**.
31. The Participation Agreement grants certain preferential rights to CFLCo to acquire shares of the other shareholders or the Twinco Assets and restrictions on shareholders' dealing with their Twinco shares, including the following:
  - a) Under Section 8(d) of the Participation Agreement, CFLCo has an option to purchase the shares held by Wabush and IOC after the expiration of their respective Amended Power Contracts (the "**Share Purchase Option**");
  - b) If CFLCo does not exercise the Share Purchase Option, Section 14 provides CFLCo with the right to purchase the moveable machinery, plants and other articles under the Sublease (the "**Asset Purchase Option**"). The Asset Purchase Option is exercised by providing notice to Twinco at least one month before the expiry of the tenancy, and giving CFLCo two months to pay the purchase price, to be agreed upon by Twinco and CFLCo. If a price cannot be agreed upon, it will be settled by arbitration as set out in the Participation Agreement. The CCAA Parties understand that neither the Share Purchase Option nor Asset Purchase Option have been exercised by CFLCo; and
  - c) Section 7 of the Participation Agreement restricts shareholders from disposing of their shares in Twinco to a third party absent the exercise of a right of first refusal in favour of all other shareholders.

### 3.2.2 The Sublease

32. The *British Newfoundland Corporation Limited (Brinco) Act*, No. 63 Nfld., 1953 granted an option to the hydro-electric production rights of the province of Newfoundland and Labrador to the British Newfoundland Corporation Limited ("**Brinco**"). This included the hydro-electric production rights to Twin Falls, which are two waterfalls located on the Unknown River, a tributary of the Churchill River, which Brinco assigned to Hamilton Falls Power Corporation Limited, now CFLCo. CFLCo exercised the above option pursuant to the *Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961* (the "**Water Rights Lease**").
33. Additionally, the Government of Newfoundland and Labrador granted to CFLCo: (i) a lease for the land upon which the Twinco Plant would be built, a landing strip and certain access roads; and (ii) an easement for the installation of transmission lines (together, the "**Site and Easement Lease**").
34. On November 15, 1961, CFLCo entered into a number of agreements with Twinco, including subleases pursuant to which CFLCo granted to Twinco: (i) its rights under the Site and the Easement Lease (the "**Site and Easement Sublease**"); and (ii) its exclusive right under the Sublease to, among other things, harness and make use of the Unknown River to produce hydro-electric power at the Twinco Plant and to transmit throughout the Province of Newfoundland any hydro-electric power generated at the site. These rights were granted to Twinco until December 31, 2014, after which time the rights would expire and revert back to CFLCo.

35. Part II, Clause 6 of the Sublease contained certain obligations for Twinco to keep and maintain in good working order all structures, works, and plants erected for the development of the Twinco Plant, to attend to all necessary repairs in order to secure the satisfactory working of all structures, works, and plants and to indemnify and hold CFLCo harmless from damages that resulted from Twinco's improper use of its rights or failure to comply with its covenants under the Sublease (the "**Twinco Sublease Obligations**").
36. As discussed below, the Twinco Sublease Obligations were subsequently assumed by CFLCo under the Operating Lease upon the suspension of the Sublease in 1974.
37. Most importantly, Part IV, Clause 8 of the Sublease permitted CFLCo, as the sublessor, to suspend Twinco's hydro-electric rights in order to make more efficient use of the Unknown River for the balance of the term of the Sublease.
38. More than 46 years ago, CFLCo exercised this suspension right with effect from July 1, 1974 and began diverting the flow of water from the Twinco Plant. As such, the Twinco Plant was placed into an extended shut-down at such time.
39. In a memorandum to the Board of Directors of Twinco dated June 20, 1994, CFLCo had confirmed that it was not financially feasible to resume operations at the Twinco Plant and that there was no possibility of Twinco being brought back to a functional state and resuming to carry on the business for which it was formed. A copy of the CFLCo memorandum to Twinco's Board of Directors is communicated herewith as **Exhibit R-9**.
40. In consideration of its suspension of rights, during the unexpired term of the Sublease, CFLCo was required to deliver to Twinco substitute power and to maintain the Twinco Plant and the Twinco Machinery.
41. Accordingly, Twinco was obliged to purchase power from CFLCo for an amount equal to the average annual cost of operating the Twinco Plant for previous historical periods, which Twinco in turn sold to Wabush and IOC pursuant to power contracts (each as amended and extended, the "**Amended Power Contracts**"). In addition, as set out in Twinco's FY2013 Audited Financial Statements for the year ended December 31, 2013, Twinco was required to pay an annual rental fee and royalty to CFLCo. A copy of FY2013 Audited Financial Statements is communicated herewith as **Exhibit R-10**.
42. The term of each of the Sublease, Site and Easement Sublease and the Amended Power Contracts, expired on December 31, 2014, and was not renewed thereafter.

### **3.2.3 The Operating Lease**

43. In anticipation of the suspension of the Sublease, the Operating Lease was entered into among CFLCo and Twinco, the Government of Newfoundland, IOC, Wabush Iron and others.
44. The Operating Lease was operative from the date of suspension of the Sublease on July 1, 1974.
45. Pursuant to the Operating Lease, CFLCo, among other things, obtained the right to export and transmit hydroelectric power over the Twinco Transmission Lines. Additionally, CFLCo agreed to assume broad maintenance and indemnity obligations as set out in more

detail below, which together in the CCAA Parties' view, result in CFLCo having sole responsibility for all Potential Environmental Liabilities (as defined below).

CFLCo Indemnity Obligations

46. Pursuant to Section IX of the Operating Lease, CFLCo agreed to: "indemnify and hold harmless Twinco from and against any and all liability to any third parties for injuries to persons or damages to property that may result from [CFLCo's] exercise or improper exercise of any of the rights, or from its use and enjoyment of any assets, hereby leased and granted, or from failure of [CFLCo] to carry out any of its covenants under [the Operating Lease]" (the "**CFLCo Indemnity**"). [Emphasis Added]
47. There is no express expiry of the CFLCo Indemnity, and it is the view of the CCAA Parties that the CFLCo Indemnity applies from and after July 1, 1974 in respect of the Twinco Plant and other Twinco Assets and continues in full force and effect today.

CFLCo Maintenance Obligations

48. In addition to the CFLCo Indemnity, CFLCo agreed to assume the following obligations of Twinco under the Sublease (collectively, the "**CFLCo Maintenance Obligations**"):
  - a) pursuant to Clause VI of the Operating Lease, CFLCo assumed "to the entire exoneration of Twinco", all of the Twinco Sublease Obligations;
  - b) pursuant to Clause VII of the Operating Lease, CFLCo assumed "to the entire exoneration of [Twinco]", all of Twinco's obligations to pay all those expenses of operation which are contemplated by Exhibit A to the Amended Power Contracts which included salaries and benefits, operating supplies, maintenance materials and contracts, among others as more particularly set out therein. A copy of Exhibit A to the Amended Power Contracts is communicated herewith as **Exhibit R-11**; and
  - c) pursuant to Clause VIII of the Operating Lease, CFLCo agreed to "keep and maintain in good working order all structures, works and plant erected from time to time for the [Twinco Plant] and all modifications and expansions made hereunder and shall attend to all necessary repairs in order to secure the normal and satisfactory working of all such structures, works, plant, modifications and expansions, the whole at the sole expense of CFLCo."
49. As a result of the CFLCo Indemnity and CFLCo Maintenance Obligations, CFLCo is solely responsible for the costs and expenses related to the Potential Environmental Liabilities.

**3.3 The Expiration of the Main Twinco Documents on December 31, 2014**

50. As noted above, suspension of the Sublease by CFLCo occurred on July 1, 1974. Since that time, CFLCo has been in possession and control of Twinco's Assets, and subject to broad operating, repair and maintenance obligations as set out in the Operating Lease.
51. Additionally, each of the Sublease, the Site and Easement Sublease and the Amended Power Contracts expired on December 31, 2014, among other agreements, and as confirmed by Twinco in a letter dated August 6, 2018 from Robert L. Hull, the President of



Twinco, to CFLCo (the “**2018 Twinco Letter**”) and by Twinco, Nalcor and CFLCo in the Nalcor Response (as defined below), the expiration of these agreements have resulted in the following:

- a) rights to the land upon which the Twinco Plant and related Twinco Assets are located on, have reverted to CFLCo; and
- b) Twinco does not own any assets, other than the Twinco Cash, as the remainder of Twinco Assets, other than the Twinco Cash, have either reverted to CFLCo upon the expiration of the Sublease, or have been sold or transferred to CFLCo or other related parties.

52. In addition, the 2018 Twinco Letter confirms that as a result of the termination of the agreements, Twinco no longer has any activity or purpose: “with the termination of Twinco’s land leases and power purchase agreements ... between CFLCo and Twinco, Twinco no longer has any activity or purpose and management is considering recommending to the Board that Twinco be formally wound-up.” [Emphasis Added]. A copy of the 2018 Twinco Letter is communicated herewith as **Exhibit R-12**.

### **3.4 Twinco’s Environmental Liabilities**

53. Based on various environmental assessments commissioned by Twinco over the years, as summarized in various Audited Financial Statements of Twinco, the CCAA Parties understand there to be potential environmental liability relating to, among other things, the following:

- a) the disposal of polychlorinated biphenyls (“**PCBs**”) and the remediation of water contamination as set out in the FY2014 Audited Financial Statements of Twinco (the “**FY2014 Audited Financial Statements**”), a copy of which is communicated herewith as **Exhibit R-13**. On or about 2010-2012, Twinco had engaged in a PCB clean-up, however, some of the PCB equipment was missed at that time. Twinco has indicated that it intends to conduct an environmental inspection to be carried out in 2020 and remedy the missed PCB equipment;
- b) dioxins and furans (“**D&F**”) related to a PCB cable fire that occurred in 2015 at the Twinco Plant as described in the FY2019 June Unaudited Financial Statements of Twinco at Note 7, a copy of which is communicated herewith as **Exhibit R-14**; and
- c) total petroleum hydrocarbons (“**TPH**”) and PCBs in sediment and PCBs and D&F in fish as described in the FY2014 Audited Financial Statements at Note 16.

(collectively the “**Potential Environmental Liabilities**”).

54. Specifically, with respect to PCBs, the CCAA Parties are of the view that as the person with care and custody and maintenance obligations and then eventual ownership, CFLCo has had and continues to have obligations under statute for Twinco’s Potential Environmental Liabilities related to PCBs for the following reasons:

- a) the CCAA Parties understand that the federal statutory PCB clean up obligations only came into force after CFLCo obtained possession and control of the Twinco Assets in 1974;

- b) the current *PCB Regulations*, SOR/2008-273 (the “**PCB Regulations**”), generally regulate the use, storage, release, labelling and registration of PCB equipment; and
  - c) generally, the PCB Regulations impose: (i) storage requirements and standards on a person who owns, controls or possesses PCBs or products containing PCBs or the owner or operator of a PCB storage site; (ii) labelling requirements on the owner of PCB equipment or the owner or operator of a PCB storage site; (iii) end-of-use requirements prohibiting the use of PCB equipment beyond certain specified dates; (iv) reporting requirements on the owner of PCB equipment or the person who owns and stores PCBs or products with PCBs over 50ppm; and (v) record keeping requirements on (a) the owner of PCBs or products containing PCBs; (b) the person who is engaged in any of these activities; and (c) the owner or operator of a PCB storage site, among other things.
55. Accordingly, pursuant to the CFLCo Indemnity and the PCB Regulations, and as the person with care and custody and maintenance obligations, CFLCo has had sole responsibility for Twinco’s Potential Environmental Liabilities since July 1, 1974.

#### **4. CURRENT STATUS**

##### **4.1 Attempts by the CCAA Parties to Obtain a Release of the Twinco Cash and Wind Up and Dissolve Twinco**

56. After the expiry of the Sublease, Site and Easement Agreement and Amendment and Amended Power Contracts, and prior to the commencement of the CCAA Proceedings, the CCAA Parties attempted to sell the Twinco Interest to CFLCo pursuant to the provisions of the Participation Agreement but CFLCo declined to take up such offer.
57. After the commencement of the CCAA Proceedings, the CCAA Parties undertook a comprehensive sale and investment solicitation process (“**SISP**”) for the assets and business of the CCAA Parties that was approved by the Court on April 17, 2015.
58. The Twinco Interest was included as part of the assets offered for sale in the SISP even though there was a low likelihood that the CCAA Parties would find a buyer for the Twinco Interest given that the Twinco Plant had ceased operations over 45 years ago and the Amended Power Contracts had expired in 2014.
59. Not surprisingly, no buyer for the Twinco Interest was found as a result of the SISP.
60. For years, both prior to and after the commencement of the CCAA Proceedings, the CCAA Parties, with the support of IOC, have sought to obtain a distribution of the Twinco Cash to Twinco’s shareholders, but such distribution has been resisted by CFLCo as described in more detail below.
61. The CCAA Parties believe that CFLCo did not support further distributions to the shareholders because it wants to ensure a cash pool from Twinco to pay for the Potential Environmental Liabilities notwithstanding the CFLCo Indemnity and CFLCo Maintenance Obligations.

62. As a temporary measure, on December 10, 2012, Twinco's Board of Directors resolved to "suspend temporarily" the payment of dividends to shareholders in order to allow Twinco the opportunity to obtain certainty as to its future cash obligations. Given that the Twinco Plant had ceased operations over 45 years prior, and the Sublease, Site and Easement Sublease and the Amended Power Contracts all expired at the end of 2014, the only potential material cash obligations of Twinco, if Twinco were held to actually be responsible for such liabilities given the CFLCo Indemnity and Maintenance Obligations, related to the Potential Environmental Liabilities.
63. Five years later, in July 2017, the last major asset of the CCAA Parties, being the Scully Mine, was sold, and the CCAA Parties instructed their counsel, to reach out to IOC's counsel to discuss what could be done to obtain a release of the Twinco Cash.
64. Discussions and correspondence ensued between IOC's counsel and the CCAA Parties' counsel and in March 2018, IOC's counsel contacted the CCAA Parties' counsel to discuss the possibility of a wind up and dissolution of Twinco if it could obtain a confirmation from CFLCo of its environmental indemnity. IOC indicated that it was meeting with the management of Twinco and that it would revert to the CCAA Parties' counsel after such meeting, however, no further update from IOC was received.
65. On August 14, 2018, counsel for Nalcor/CFLCo contacted the Monitor to inquire about the status of the Twinco shares held by Wabush and to remind the Monitor of IOC's and CFLCo's right of first refusal contained in the Participation Agreement.
66. On August 15, 2018, the CCAA Parties' counsel spoke with Nalcor/CFLCo's counsel and informed him that there is no pending sale of the Twinco Interest and reiterated the CCAA Parties' strong desire for a distribution of the Twinco Cash as soon as possible. At that time, the CCAA Parties' counsel proposed to Nalcor/CFLCo's counsel that in lieu of a distribution, CFLCo could purchase the Twinco Interest.
67. Nalcor/CFLCO's counsel indicated that he would seek instructions. The CCAA Parties' counsel followed up numerous times with Nalcor/CFLCo's counsel, who finally informed the CCAA Parties' counsel that a decision would not be made before Twinco's next Board Meeting on November 19, 2018.
68. On October 1, 2018, the CCAA Parties' counsel received from Twinco's counsel a copy of the 2018 Twinco Letter, described above that had been previously sent by Twinco's counsel, in which Twinco proposed to CFLCo a wind up and dissolution of Twinco, and requested an environmental indemnity from CFLCo to cover all shareholders and directors of Twinco in exchange for CFLCo receiving all cash held by Twinco less the estimated administrative expenses for the wind up (the "**Twinco Proposal**").
69. Although the 2018 Twinco Letter indicated that Wabush was supportive of the Twinco Proposal, other than the brief aforementioned discussion in March 2018 with IOC, the details of the Twinco Proposal had not been discussed with the CCAA Parties. In particular, there was no discussion with, nor any agreement by, the CCAA Parties about a proposal that would result in zero recovery to shareholders.
70. Although there was a near absence of consultation on the Twinco Proposal, the CCAA Parties are supportive of the following conclusions made by Twinco's President in the

2018 Twinco Letter as related to CFLCo's liabilities under the existing CFLCo Indemnity and CFLCo Maintenance Obligations, that formed the basis for the wind up and dissolution of Twinco that formed the foundation of the Twinco Proposal:

"Twinco's counsel has advised us with respect to the broad scope of persons that may be held liable for adverse environmental conditions under federal and provincial laws with counsel advising, [i]n particular, that under provincial law, a person responsible would include the owner or occupier of land on which an adverse environmental effect has or may occur, the owner or operator of an undertaking or a previous owner, or a person who has management or control of a site. In considering this proposal, we invite CF(L) Co to consider this scope of persons that may be held responsible for the Environmental Liabilities, the limited assets of Twinco remaining to cover any of the Environmental Liabilities, and the fact that CF(L) Co has been in control and possession of the Twinco assets since the early 1970s and had broad operating, repair and maintenance obligations under the Operating Lease with indemnification obligations with respect to these repair and maintenance obligations provided to Twinco under the Operating Lease. We also invite CF(L) Co to consider the fact that, with respect to the decommissioning liabilities, in particular, based upon legal advice to Twinco, that pursuant to the governing leases/sub-leases between Twinco and CF(L) Co, the land upon which these assets referenced in the financial statements are located are now owned by CF(L) Co and in the possession of CF(L) Co or third parties through arrangements with CF(L) Co, and Twinco had no obligation to remove or decommission these assets upon termination of the lease/sublease arrangements. Twinco's view, therefore, is that any future decommissioning/removal responsibilities would be the sole obligation of CF(L) Co in any event. In summary, although Twinco is of the view that it will not have Environmental Liabilities, it believes the contingency should be dealt with and the provision by CF(L) Co of an indemnity as proposed would be an appropriate way to do so in the circumstances." [Emphasis Added.]

71. By letter dated November 19, 2018, Nalcor, on behalf of CFLCo, informed Twinco that CFLCo summarily rejected the Twinco Proposal. A copy of this letter, which was provided to the CCAA Parties' counsel by Twinco's counsel, is communicated herewith as **Exhibit R-15**.
72. In response to CFLCo's rejection of the Twinco Proposal, a conference call was held on May 3, 2019 with the representatives of the CCAA Parties, Twinco, CFLCo and IOC to discuss wind-down options. There was no consensus reached on the call.
73. The CCAA Parties are not supportive of any of the options proposed by Twinco, as none of the options would result in any distribution to Wabush of the Twinco Cash, either directly or indirectly, and instead only serve to perpetuate a continuance of the status quo and ensuring further delay.
74. By letter dated December 20, 2019 from the CCAA Parties' counsel to Twinco's counsel which copied various representatives of CFLCo and IOC, as well as the Monitor and its counsel (the "**December 2019 Letter**"), the CCAA Parties proposed another conference

call with the representatives of Twinco, CFLCo, IOC and the Monitor, to be held at the latest during the week of January 23, 2020 in an attempt to progress matters. A copy of the December 2019 Letter is communicated herewith as **Exhibit R-16**.

75. In the December 2019 Letter, the CCAA Parties expressed their frustration with the delay and lack of progress in obtaining a resolution and advised Twinco and its other shareholders that the CCAA Parties were of the view that it is just and equitable for Twinco to be wound up and dissolved and the Twinco Cash to be distributed to the shareholders.
76. The CCAA Parties also expressed their desire to work cooperatively with the stakeholders, but cautioned that if it was not possible to come to a consensual resolution, in order to protect the interests of the Wabush creditors, the CCAA Parties would have no other alternative but to bring an application under the CBCA to seek a winding up and dissolution of Twinco.
77. By letter dated January 16, 2020, Twinco's counsel responded to the December 2019 Letter indicating that the Twinco representatives were seeking to engage with the other shareholders of Twinco and that they would revert back to the CCAA Parties. A copy of the January 16, 2020 letter is communicated herewith as **Exhibit R-17**.
78. The CCAA Parties' counsel responded with another letter dated January 21, 2020, which copied various representatives of CFLCo and IOC, as well as the Monitor and its counsel, and after several subsequent emails, a conference call among representatives of the CCAA Parties, Twinco and its other shareholders, and the Monitor was scheduled on February 10, 2020 (the "**February 2020 Call**"). A copy of the January 21, 2020 letter is communicated herewith as **Exhibit R-18**.
79. The February 2020 Call occurred as scheduled but no resolution was reached in respect of the Twinco Cash or the wind up and dissolution of Twinco.
80. Following the February 2020 Call, on February 13, 2020, the CCAA Parties' counsel again reached out to Twinco's counsel, asking to schedule another conference call in order to discuss certain follow-up questions the CCAA Parties and the Monitor had arising from the February 2020 Call.
81. Twinco's counsel indicated that he had not been able to obtain instructions from Twinco to participate on a call and instead suggested that the CCAA Parties' counsel provide him with a list of follow-up questions in writing, that he would then share with Twinco's other shareholders.
82. On February 18, 2020, as requested by Twinco's counsel, a written list of questions was provided to Twinco's counsel (the "**Follow-up Questions**"). In addition, the CCAA Parties suggested scheduling a conference call to discuss Twinco's responses to the Follow-Up Questions. A copy of the email setting out the Follow-up Questions is communicated herewith as **Exhibit R-19**.
83. After multiple emails to Twinco's counsel requesting a response to the Follow-up Questions, on May 26, 2020, a response to the Follow-up Questions as prepared by Todd S. Newhook, senior legal counsel at Nalcor (the "**Nalcor Response**"), was forwarded to the CCAA Parties' counsel by Twinco's counsel, purporting to be responses provided on

Twinco's behalf. As noted above, Nalcor is the majority shareholder of CFLCo. A copy of the Nalcor Response is communicated herewith as **Exhibit R-20**.

84. The CCAA Parties reviewed and considered the Nalcor Response with the Monitor, and concluded that they disagreed with the positions stated therein with regard to the respective liabilities of Twinco and CFLCo for environmental costs and liabilities related to the Twinco Plant, equipment and other assets.
85. On August 5, 2020, the CCAA Parties' counsel advised Twinco's counsel, copying various representatives of CFLCo and IOC, that while the CCAA Parties had been hopeful that a consensual resolution could be achieved, they have concluded that based on the February 2020 Call, the Nalcor Response, and the lack of desire of Twinco and CFLCo to engage in a constructive manner, a consensual resolution was no longer possible. The CCAA Parties' counsel further advised that it had been instructed by the CCAA Parties to prepare court materials for relief under Sections 214 and 241 of the CBCA. No response was received. A copy of the August 5, 2020 letter is communicated herewith as **Exhibit R-21**.
86. In a final attempt to find some kind of negotiated resolution, on October 26, 2020, the CCAA Parties' counsel sent a without prejudice letter to Twinco, advising that if acceptable settlement terms could not be agreed in short order, the CCAA Parties would bring this Motion. No resolution was found within the timelines set out in the letter.

#### **4.2 Twinco's and CFLCo's Refusal to Cooperate in the Distribution of the Twinco Cash or the Winding Up and Dissolution of Twinco**

87. As stated above, Twinco was established as a joint venture among CFLCo, IOC and Wabush, among others, to produce electricity for its customers, including two of its shareholders, Wabush and IOC.
88. The various restrictions on dealing with the shares of Twinco contained in the Participation Agreement reinforce the notion that the joint venture was designed for a common purpose to which only certain entities could participate.
89. Consistent with this purpose, Twinco and CFLCo entered into a number of agreements, including but not limited to, the Sublease, the Site and Easement Sublease, the Operating Lease, and the Amended Power Contracts.
90. Due to the suspension of the Sublease since July 1974 and the consequential transfer of possession and control of the Twinco Plant and other Twinco Assets to CFLCo and other related parties, the expiry of each of the Sublease, the Site and Easement Sublease, and the Amended Power Contracts on December 31, 2014 and the reversion and or sale of all of Twinco's assets to CFLCo and other related parties, these events together have rendered it impossible for Twinco to carry on the business for which it was formed and resulted in Twinco losing its corporate purpose and "substratum".
91. More specifically:
  - a) Twinco has not produced any power and has been inactive since at least as early as July 1, 1974, over 46 years ago;

- b) Twinco no longer owns any of the Twinco Assets, as all such assets have been transferred to CFLCo and other related parties - accordingly, it is impossible for Twinco to produce or transmit any power as it has no physical assets and therefore no ability to do so; and
- c) all of the relevant material agreements that Twinco was party to relating to the Twinco Plant have been terminated or expired.

In short, as confirmed by Twinco itself in the 2018 Twinco Letter, "Twinco no longer has any activity or purpose".

- 92. Accordingly, it has been the reasonable expectation of the CCAA Parties that within a reasonable period of time after it had become impossible for Twinco to carry on the business for which it was formed, that Twinco would be wound up and dissolved and that any net cash proceeds remaining would be distributed to Twinco's shareholders on a pro rata basis. Indeed, as evidenced by the 2018 Twinco Letter, it has even been Twinco's own expectation that it would be wound up and dissolved given that it no longer "has any purpose".
- 93. Despite the termination of the material agreements in December 2014 and Twinco's own admission in the 2018 Twinco Letter that it no longer "has any purpose", CFLCo, as the controlling shareholder of the Board of Directors of Twinco, has repeatedly refused to cooperate or enter into good faith discussions with respect of the distribution of the Twinco Cash to Twinco's shareholders and the winding up and dissolution of Twinco.
- 94. As illustrated by the foregoing, there is a clear persistent and fundamental disagreement amongst Twinco's shareholders and it is clear that this disagreement is not temporary in nature given that it has been unresolved since at least the end of 2014 after the Sublease, Site and Easement Agreement and the Amended Power Contracts all expired and possibly even as far back to as July 1, 1974 when CFLCo initially took over possession and control of Twinco's Assets pursuant to the Operating Lease.
- 95. Given the permanent cessation of the business and the long-standing attempts by the CCAA Parties to resolve the matter, Twinco and CFLCo have demonstrated a blatant disregard for the interests of Wabush and its creditors, many of whom are retired employees.
- 96. It is the CCAA Parties' belief that it is being treated unfairly by CFLCo and Twinco, to the ultimate detriment and prejudice of vulnerable creditors of Wabush. In doing so, Twinco is acting in an oppressive and unfairly prejudicial manner that has unfairly disregarded Wabush's interests in preventing a distribution of the Twinco Cash to Twinco's shareholders and a winding up and dissolution of Twinco when there has not been a corporate purpose for the company since at least the end of 2014.

#### **4.3 CFLCo has Failed to Pay for Twinco's Maintenance and Environmental Liabilities**

- 97. As outlined above, pursuant to the Operating Lease, CFLCo has agreed to indemnify Twinco for environmental and maintenance related costs relating to the Twinco Plant and other Twinco Assets. However, it appears that CFLCo has not been reimbursing Twinco for monies previously expended by Twinco in respect of maintenance and environmental

costs that should have been paid by CFLCo pursuant the CFLCo Indemnity and CFLCo Maintenance Obligations.

98. For example, Twinco has paid for:
- a) a 2010-2012 environmental clean-up at the Twinco Plant;
  - b) the cost in respect of a fire that occurred at the Twinco Plant in 2015;
  - c) expanded efforts to remove PCBs over the past ten years;
  - d) the majority of costs associated with compliance with the PCB regulations relating to the removal of oil-filled electrical equipment in the generating station containing PCBs; and
  - e) an upcoming environmental inspection to be conducted by AMEC in respect of the PCB clean-up of equipment at the Twinco Plant.

**4.3.1 Entitlement to Pro Rata Share of Reimbursement of Amounts Paid by Twinco for Maintenance and Environmental Liabilities**

99. To the extent that Twinco has paid for any costs or expenses associated with the Potential Environmental Liabilities (such as maintenance, remediation, or assessment related expenses), these amounts are recoverable from CFLCo in accordance with its broad liability, maintenance and indemnity obligations under the Operating Lease.
100. As noted above, under the CFLCo Indemnity, CFLCo promised to “indemnify and hold harmless Twinco from and against any and all liability” and pursuant to the CFLCo Maintenance Obligations, CFLCo assumed to the “entire exoneration of Twinco”, broad maintenance obligations.
101. As such, CFLCo is obligated to reimburse Twinco for amounts paid by Twinco for all maintenance and environmental liability related costs that should have been paid by CFLCo, and Twinco’s shareholders are entitled to their *pro rata* share of such reimbursement from CFLCo as part of the requested winding up and dissolution of Twinco that the CCAA Parties are seeking.
102. It is unclear as to the exact quantum of what Twinco may have paid for environmental and maintenance matters that are recoverable from CFLCo pursuant to the CFLCo Indemnity and CFLCo Maintenance Obligations under the Operating Lease because the Twinco financial statements are not clear and do not provide a full accounting of the monies expended by Twinco on maintenance and environmental related costs. For these reasons, the CCAA Parties are requesting a full accounting from Twinco for all such costs paid for environmental and maintenance obligations since 1974.



**5. RELIEF SOUGHT**

**5.1 Declaration confirming the CFLCo Indemnity and the CFLCo Maintenance Obligations**

103. Despite the clear contractual language of the CFLCo Indemnity, CFLCo has refused to confirm its liability for any Twinco's environmental costs or Potential Environmental Liabilities.
104. In connection with its motion seeking the winding up and dissolution of Twinco, the CCAA Parties are also seeking a declaration from the Court confirming CFLCo's obligations under the CFLCo Indemnity and the CFLCo Maintenance Obligations for the Reimbursable Environmental/Maintenance Costs and the Potential Environmental Liabilities.

**5.2 Accounting and Reimbursement of Environmental and Maintenance Costs Paid by Twinco**

105. Given the lack of an accounting for the costs and expenses paid by Twinco for environmental and maintenance matters from and after July 1, 1974, the CCAA Parties request that the Court direct that: (i) Twinco provide to the shareholders of Twinco a full accounting of all monies expended by Twinco on maintenance and environmental liabilities, and (ii) CFLCo reimburse Twinco for all Reimbursable Environmental/Maintenance Costs prior to the winding up and dissolution of Twinco or the purchase of the Twinco Interest by CFLCo or Twinco, as applicable.

**5.3 The Winding Up and Dissolution of Twinco and the Distribution of the Remaining Twinco Cash and CFLCo Reimbursement**

106. The CCAA Parties are seeking an order, with the support of the Monitor, pursuant to section 214 and/or section 241 of the CBCA for: (i) the winding up and dissolution of Twinco; and (ii) the distribution of all remaining cash and cash equivalents held by Twinco to the Twinco shareholders on a pro rata basis, including the Twinco Cash (net of reasonable costs and expenses incurred by Twinco to complete the winding up and dissolution) and the CFLCo Reimbursement.
107. Section 214 of the CBCA permits the court to order the liquidation and dissolution of a corporation and such other order as "it thinks fit" where the court is satisfied that: (i) in respect of the corporation or any of its affiliates, there is: (a) any act or omission of the corporation or any of its affiliates that effects a result, (b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or (c) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer ("**Oppressive Conduct**"), or (ii) it is just and equitable to do so.
108. Section 241 of the CBCA permits the court to make any order as "it thinks fit", including an order for the liquidation and dissolution of a corporation where the court is satisfied that there is Oppressive Conduct.
109. Both Twinco and the nominees of CFLCo on the Twinco Board of Directors are engaging in Oppressive Conduct by failing to pursue payment of the CFLCo Reimbursement and to

implement the wind up and dissolution of Twinco and a distribution of the Twinco Cash and the CFLCo Reimbursement.

110. Currently, it is impossible for Wabush to access its rightful share of the Twinco Cash, unless CFLCo permits it. As CFLCo controls the Board, it is using its blocking position to prevent a distribution of the Twinco Cash or a winding up and dissolution of Twinco. Being a minority shareholder, outside of the relief being requested under section 214 and/or 241, Wabush has no ability as a minority shareholder to force a distribution of the Twinco Cash or a winding up and dissolution of Twinco under the Participation Agreement.
111. CFLCo, through its control of the Twinco Board of Directors and as controlling shareholder of Twinco, has used its position to block the distribution of the Twinco Cash and the winding up and dissolution of Twinco, to further its own interests at the expense of other shareholders. Accordingly, the board nominees of CFLCo have not acted in the best interests of Twinco or with fair regard to the interests of all of Twinco's shareholders, but rather in the best interest of CFLCo only. The CFLCo board nominees on the Twinco Board are focussed solely on protecting CFLCo against its clear contractual and statutory liabilities to Twinco. In addition, the board nominees of CFLCo have also failed to act honestly and in good faith with a view to the best interests of Twinco, in breach of their fiduciary duty.
112. As there is no longer any purpose for Twinco to exist and as Twinco has no assets other than the Twinco Cash, it is just and equitable that Twinco be wound up and dissolved as soon as possible and that Wabush be able to access its pro rata share of the Twinco Cash for distribution to its creditors, which include former employees of Wabush.

#### **5.4 The Purchase or Repurchase of the Twinco Interest**

113. In the alternative to a winding up and dissolution of Twinco, the CCAA Parties are seeking an order pursuant to section 214 and/or section 241 of the CBCA, directing Twinco and/or CFLCo to purchase Wabush's interest in Twinco for a purchase price equal to the amount of Wabush's pro rata share of the Twinco Cash and the CFLCo Reimbursement.

#### **5.5 Monitor's Support**

114. The CCAA Parties have been informed by the Monitor that the Monitor supports this Motion.

#### **6. PROCEDURAL MATTERS**

115. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.
116. Pursuant to paragraph 54 of the Bloom Lake Initial Order and to 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.
117. The service of the present Motion serves as notice pursuant to paragraph 54 of the Bloom Lake Initial Order and paragraphs 47 and 56 of the Wabush Initial Order.

118. 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.

**7. CONCLUSIONS**

119. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of an order substantially in the form of the Draft Order (Exhibit R-1).

120. 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 Order (Exhibit R-1) communicated in support hereof;

**WITHOUT COSTS**, save and except in case of contestation.

Montréal, November 16, 2020

*Blake, Cassels & Graydon LLP*

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

**AFFIDAVIT**

I, the undersigned, James Graham, the General Counsel & Secretary of Bloom Lake General Partner Limited, Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, Wabush Resources Inc., Bloom Lake Railway Company Limited, Wabush Iron Co. Limited, and the Secretary of Arnaud Railway Company and Wabush Lake Railway Company Limited, having a place of business at 200 Public Square, Cleveland, Ohio, solemnly affirm that all the facts alleged in the present *Motion for the Issuance of an Order for the Winding Up and Dissolution, Distribution of Assets, Reimbursement of Monies and Additional Relief* are true.

AND I HAVE SIGNED:

  
James Graham

SOLEMNLY DECLARED before me at  
Cleveland, Ohio, on this  
17<sup>th</sup> day of November, 2020

  
Notary Public



ANNETTE ANTHONY  
NOTARY PUBLIC  
STATE OF OHIO  
Recorded in  
Cuyahoga County  
My Comm. Exp. 11/12/2022

**NOTICE OF PRESENTATION**

**TO: Service List**

**Twin Falls Power Corporation**  
c/o  
**Cox & Palmer**  
Scotia Centre,  
Suite 1100, 235 Water St,  
St. John's, NL A1C 1B6

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**Churchill Falls (Labrador) Corporation Limited**  
c/o  
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Guy P. Martel  
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**TAKE NOTICE** that the present *Motion for the Winding Up and Dissolution, Distribution of Assets, Reimbursement of Monies and Additional Relief* will be presented on a **pro forma** basis before the Honourable Michael A. Pinsonnault, 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 27, 2020, at 9:00 am by Video Conference in accordance with the instructions to be provided by the Court and circulated to the parties on the Service List and posted on the Monitor's website at: <http://cfcanda.fticonsulting.com/bloomlake/>.**

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, November 16, 2020

*Blake, Cassels & Graydon LLP.*

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

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. 36, as amended)

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N<sup>o</sup>: **500-11-048114-157**

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

**BLOOM LAKE GENERAL PARTNER LIMITED  
QUINTO MINING CORPORATION  
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

-and-

**TWIN FALLS POWER CORPORATION  
CHURCHILL FALLS (LABRADOR) CORPORATION  
LIMITED**

Mises-en-cause

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**LIST OF EXHIBITS**

(In support of the *Motion for the Winding Up and Dissolution, Distribution of Assets,  
Reimbursement of Monies and Additional Relief*)

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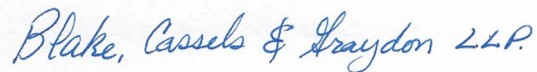
**R-1**

Draft Order;

- R-2** FY2019 Audited Financial Statements of Twinco as at December 31, 2019;
- R-3** Twinco's Articles of Continuance dated August 1, 1980;
- R-4** Federal Corporation Information Report for Twin Falls Power Corporation Limited;
- R-5** Sublease dated November 15, 1961, as amended;
- R-6** Operating Lease dated November 30, 1967, as amended;
- R-7** Participation Agreement dated January 2, 1977;
- R-8** Twinco By-Laws;
- R-9** CFLCo memorandum to Twinco's Board of Directors dated June 20, 1994;
- R-10** FY2013 Audited Financial Statements of Twinco dated December 31, 2013;
- R-11** Exhibit A to the Amended Power Contracts;
- R-12** Letter dated August 6, 2018 from Twinco, to CFLCo (2018 Twinco Letter);
- R-13** FY2014 Audited Financial Statements of Twinco dated December 31, 2014;
- R-14** FY2019 June Unaudited Financial Statements of Twinco, dated June 30, 2019;
- R-15** Letter dated November 19, 2018 from Nalcor, on behalf of CFLCo, to Twinco;
- R-16** Letter dated December 20, 2019 from CCAA Parties' counsel to Twinco's counsel (December 2019 Letter);
- R-17** Letter dated January 16, 2020 from Twinco's counsel to CCAA Parties' counsel (January 16, 2020 letter);

- R-18** Letter dated January 21, 2020 from CCAA Parties' counsel to Twinco's counsel (January 21, 2020 letter);
- R-19** Email setting out the Follow-up Questions provided to Twinco's counsel on February 18, 2020;
- R-20** Response from Nalcor to the Follow-up Questions forwarded to CCAA Parties' counsel by Twinco's counsel on May 26, 2020;
- R-21** Letter dated August 5, 2020 from CCAA Parties' counsel to Twinco's counsel (August 5, 2020 letter).

Montréal, November 16, 2020



*Blake, Cassels & Graydon LLP*

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



N°: 500-11-048114-157

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**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

-and-

**TWIN FALLS POWER CORPORATION  
CHURCHILL FALLS (LABRADOR) CORPORATION  
LIMITED**

Mises-en-cause

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**MOTION FOR THE WINDING UP AND DISSOLUTION,  
DISTRIBUTION OF ASSETS, REIMBURSEMENT OF  
MONIES AND ADDITIONAL RELIEF, AFFIDAVIT, NOTICE  
OF PRESENTATION AND LIST OF EXHIBITS**  
(Section 11 of the CCAA and sections 214 and 241 of the  
CBCA)

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**ORIGINAL**

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

**M<sup>re</sup> Bernard Boucher**

**BB-8098**

**BLAKE, CASSELS & GRAYDON LLP**

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Our File: 11573-375