

Luc Morin

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Le 20 avril 2016

N° de dossier : 10640 / 302521.00001

**SOUS TOUTES RÉSERVES  
PAR COURRIEL ET MESSAGER**

**VILLE DE SEPT-ÎLES**

**Service de l'urbanisme**

546, avenue DeQuen

Sept-îles (Québec) G4R 2R4

Attention : M. Denis Tétrault et M. Claude

Bureau

**Objet : Dans l'affaire de l'arrangement de *Commandité Bloom Lake Limitée, Quinto Mining Corporation, 8568391 Canada Limited* et *Cliffs Québec Mine De Fer ULC*, en vertu de la *Loi sur les arrangements avec les créanciers des compagnies, L.R.C. (1985), ch. C-36***

Messieurs,

La présente fait suite à la vôtre datée du 23 mars 2016 adressée à Monsieur Dany Savard de *Groupe Cadoret - Arpenteurs Géomètres*, dont copie est jointe aux présentes comme **Annexe « A »** (ci-après la « *Lettre* »). Nous représentons l'*Administration Portuaire de Sept-Îles* (ci-après l'« *APSI* ») dans le dossier en titre.

Comme vous le savez sans doute :

1. Le 27 janvier 2015, la Chambre commerciale de la Cour supérieure du district de Montréal (ci-après la « *Cour* ») a rendu une ordonnance initiale (ci-après l'« *Ordonnance Initiale Cliffs* ») en faveur, notamment, de *Cliffs Québec Iron Mining ULC*, (ci-après « *Cliffs* »), conformément à la *Loi sur les arrangements avec les créanciers des compagnies, L.R.C. (1985) ch. C-36* (ci-après la « *LACC* »);
2. Le 20 mai 2015, la Cour a rendu une ordonnance initiale (ci-après l'« *Ordonnance Initiale Wabush* ») en faveur, notamment de *Wabush Iron Co. Limited, Wabush Ressources Inc., Wabush Mines, Arnaud Railway Company* et *Wabush Railway Company Limited* (ci-après les « *Entités Wabush* »), conformément à la *LACC*;

3. Aux termes de l'Ordonnance Initiale Cliffs et de l'Ordonnance Initiale Wabush, *FTI Consulting Canada Inc.* (ci-après le « **Contrôleur** ») a été nommée Contrôleur chargé de superviser le processus de restructuration/liquidation de notamment Cliffs et des Entités Wabush entamé sous l'égide de la LACC;
4. Le 1<sup>er</sup> février 2016, la Cour a rendu :
  - a. Une ordonnance de dévolution autorisant les Entités Wabush à vendre un terrain mieux connu comme étant le Block Z en faveur de l'APSI (ci-après la « **Transaction Block Z** »), tel qu'il appert d'une copie de cette ordonnance jointe aux présentes comme **Annexe « B »** (ci-après l'« **Ordonnance de Dévolution - Block Z** »). La clôture de la Transaction Block Z s'est conclue le 10 mars dernier (ci-après la « **Clôture - Transaction Block Z** »), comme en fait foi le certificat du contrôleur joint aux présentes comme **Annexe « C »**;
  - b. Une ordonnance de dévolution autorisant les Entités Wabush et Cliffs les actifs mieux connus comme étant les actifs Pointe Noire en faveur de la *Société Ferroviaire et Portuaire de Pointe-Noire S.E.C.* (ci-après la « **Transaction Pointe-Noire** »), tel qu'il appert d'une copie de cette ordonnance jointe aux présentes comme **Annexe « D »** (ci-après l'« **Ordonnance de Dévolution - Pointe Noire** »). La clôture de la Transaction Pointe-Noire s'est conclue le 11 avril dernier (ci-après la « **Clôture - Transaction Pointe Noire** »), comme en fait foi le certificat du contrôleur joint aux présentes comme **Annexe « E »**;

Aux termes de l'Ordonnance de Dévolution - Block Z et de l'Ordonnance de Dévolution - Pointe Noire, le produit de vente résultant de la Transaction Block Z et de la Transaction Pointe-Noire (ci-après collectivement les « **Transactions** ») a été remis au Contrôleur. La distribution du produit de vente en faveur des créanciers de Wabush se fera en fonction de leurs droits et intérêts respectifs et toute telle distribution sera autorisée au préalable par la Cour. Ceci étant dit, le Contrôleur a déjà confirmé à l'APSI et à la *Société Ferroviaire et Portuaire de Pointe-Noire S.E.C.* que les taxes municipales et scolaires dues par rapport aux actifs visés par les Transactions en date de la Clôture seraient payées à même le produit de vente résultant des Transactions. Vous trouverez ci-jointe copie du plus récent rapport du Contrôleur produit au dossier de la Cour comme **Annexe E** (ci-après le « **Rapport** »), confirmant cet engagement du Contrôleur (voir paragraphe 29 du Rapport).

Vous comprendrez, à la lumière de ce qui précède, que nous nous expliquons difficilement le contenu de votre Lettre. Dans un premier temps, l'Ordonnance de Dévolution - Block Z ne saurait être plus claire : le Block Z appartient en pleine propriété à l'APSI (voir notamment le paragraphe [17] et Schedule C).

Ensuite, en ce qui a trait au paiement des taxes municipales, tel qu'indiqué plus haut, ce paiement sera fait à même le produit de vente des Transactions, par le Contrôleur.

Considérant ce qui précède, vous comprendrez les préoccupations de l'APSI face à la position prise par la Ville de Sept-Îles et les dommages qu'une telle position pourrait engendrer. À défaut d'une confirmation écrite d'ici le **29 avril à 17 :00** à l'effet que la Ville de Sept-Îles émettra le permis de lotissement relativement au Block Z, l'APSI n'aura d'autres alternatives que de considérer entamer les recours appropriés.

Nous demeurons disponibles pour en discuter plus amplement, à votre convenance.

Veillez agréer, Messieurs, l'expression de nos sentiments distingués.

**FASKEN MARTINEAU DuMOULIN S.E.N.C.R.L., s.r.l.**



Luc Morin

LM

p.j.

c. c. : Pierre Gagnon, Président-directeur général - APSI  
Patsy Keays, Directrice des affaires corporatives - APSI  
Dany Savard - *Groupe Cadoret - Arpenteurs Géomètres*,  
Me Sylvain Rigaud - *Norton Rose Fullbright LLP* - Procureurs du Contrôleur *FTI Consulting Inc.*  
Me Paule Tardif - *Gowlings WLG LLP* - Procureurs de la *Société Ferroviaire et Portuaire de Pointe-Noire S.E.C.*

## Annexe « A »





Le 23 mars 2016

Par courriel et courrier

Monsieur Dany Savard  
**Groupe Cadoret, arpenteurs-géomètres**  
619, avenue Brochu  
Sept-Îles (Québec) G4R 2X7

**Objet : Permis de lotissement**  
↳ **Création des lots 5 864 428 à 5 864 431 - Cadastre du Québec**

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Monsieur,

La présente fait suite à votre correspondance du 25 février dernier concernant le sujet en titre.

J'attire votre attention sur le fait que votre client, l'Administration portuaire de Sept-Îles n'étant pas propriétaire des lots concernés, ceux-ci étant toujours propriété de la Minière Wabush, une procuration de cette dernière s'avère nécessaire à l'émission du permis de ce lotissement demandé.

Par ailleurs, nous attirons votre attention sur l'article 2.2.5 du Règlement de lotissement de la municipalité, lequel prévoit sous le titre « Paiement des taxes municipales » :

*« Tout propriétaire doit, comme condition préalable à l'approbation d'un plan-projet de lotissement, payer les taxes municipales qui sont exigibles et impayées à l'égard des immeubles compris dans le plan ».*

Compte tenu de ce qui précède, les arrérages de taxes dues sur les immeubles compris dans le plan cadastral concerné devront être acquittés avant l'émission du permis de lotissement.

Si des informations supplémentaires vous apparaissent utiles, n'hésitez pas à entrer en communication avec le soussigné.

Veuillez agréer, Monsieur, l'expression de mes meilleurs sentiments.

Le Service de l'urbanisme



Denis Tétreault, directeur

DT/nb

c.c. M. Claude Bureau, directeur général, Ville de Sept-Îles  
M. Pierre Gagnon, directeur général, APSI

Service de l'urbanisme

546, avenue De Quen • Sept-Îles (Québec) • G4R 2R4 • Téléphone : 418 964-3233 • Télécopieur : 418 964-3249 • [www.ville.sept-iles.qc.ca](http://www.ville.sept-iles.qc.ca)

## Annexe « B »

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: February 1<sup>st</sup>, 2016

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**PRESIDING: THE HONOURABLE STEPHEN W. HAMILTON J.S.C.**

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:**

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

Petitioners

-and-

**WABUSH MINES**

Mise-en-cause

-and-

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES / SEPT-ÎLES PORT AUTHORITY**

Mise-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SEPT-ÎLES**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**APPROVAL AND VESTING ORDER**

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- [1] **ON READING** the Petitioners' *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets*, as amended and re-amended (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the 17<sup>th</sup> and 18<sup>th</sup> Reports of the Monitor dated January 22 and 27, 2016 (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated as of January 26, 2016 by and among the Petitioners *Wabush Iron Co. Limited* and *Wabush Resources Inc.*, as vendors (collectively, the "**Vendors**"), and *Administration Portuaire de Sept-Îles / Sept-Îles Port Authority* as purchaser (the "**Purchaser**"), a copy of which was filed as Exhibit R-22 to the Motion, and vesting in the Purchaser all of the Vendors' right, title and interest in and to all of the Purchased Assets (as defined in the Purchase Agreement).

**FOR THESE REASONS, THE COURT HEREBY:**

- [5] **GRANTS** the Motion.
- [6] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

**SERVICE**

- [7] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [8] **PERMITS** service of this Order at any time and place and by any means whatsoever.

**SALE APPROVAL**

- [9] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendors is hereby authorized and approved, *nunc pro tunc*, without prejudice to the rights of creditors to object to the allocation of proceeds as among them and as among the Vendors, in each case for distribution purposes only.
- [10] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

**EXECUTION OF DOCUMENTATION**

- [11] **AUTHORIZES AND DIRECTS** the Vendors, the Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement (Exhibit R-22), with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.



**AUTHORIZATION**

- [12] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Transaction and that no shareholder approval, if applicable, shall be required in connection therewith.

**VESTING OF THE PURCHASED ASSETS**

- [13] **ORDERS and DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest free and clear, absolutely and exclusively in and with the Purchaser, from any and all right, title, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendors should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**" ), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [14] **ORDERS and DIRECTS** the Monitor, upon receipt of payment in full of the Purchase Price and of each of the Conditions Certificates, to (i) issue forthwith the Certificate concurrently to the Vendors and the Purchaser; and (ii) file forthwith after issuance thereof a copy of the Certificate with the Court.
- [15] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [16] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Purchase Price and to remit the Purchase Price in accordance with the provisions of this Order.

**CANCELLATION OF SECURITY REGISTRATIONS**

- [17] **ORDERS** the Land Registrar of the Registry Office for the Registration Division of Sept-Îles, upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the owner of the immovable property identified in **Schedule "C"** hereto (the "**Immovable Property**") and (ii) to cancel any and all Encumbrances on the Immovable Property (other than Permitted Encumbrances), including, without limitation, the registrations published at the said Registry Office listed on **Schedule "D"** hereto.

**NET PROCEEDS**

- [18] **ORDERS** that the Purchase Price payable to the Vendors in accordance with the Purchase Agreement (the "**Net Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendors pending further order of the Court.
- [19] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon issuance of the Certificate, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the Closing.
- [20] **ORDERS** that upon the issuance of the Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

**RELEASE OF FUNDS TO FUND COSTS AND EXPENSES OF THE WABUSH CCAA PARTIES**

- [21] **AUTHORIZES and DIRECTS** the Monitor to fund the costs and expenses of the Wabush CCAA Parties (the "**Expense Payments**") out of the Net Proceeds by way of weekly draws by the Wabush CCAA Parties against cash flow projections to be prepared by the Wabush CCAA Parties from time to time and as approved by the Monitor and subject to the Monitor holding such reserves as it considers necessary to secure the CCAA Charges (as defined in the initial order rendered by this Court on May 20, 2015, as amended, restated, rectified or otherwise modified from time to time).
- [22] **ORDERS** that notwithstanding:
- a) the pendency of these proceedings;
  - b) any assignment in bankruptcy;
  - c) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (the "**BIA**") or otherwise and any order issued pursuant to any such application; or
  - d) the provisions of any federal or provincial legislation;

the remittance of the Expense Payments in accordance with this Order is to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- [23] **AUTHORIZES** the Monitor to take any and all steps which the Monitor, in its sole discretion and in consultation with the Vendors, may deem necessary in order to give effect to the above orders for the Expense Payments. Any such remittances made by the Monitor will be made without prejudice to any arguments concerning the allocation of such remittances amongst the CCAA Parties and the CCAA Parties will subsequently bring a motion on notice to the service list for an order allocating the remittances amongst the CCAA Parties.

**PROTECTION OF PERSONAL INFORMATION**

[24] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

**VALIDITY OF THE TRANSACTION**

[25] **ORDERS** that notwithstanding:

- a) the pendency of these proceedings;
- b) any assignment in bankruptcy;
- c) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA or otherwise and any order issued pursuant to any such application; or
- d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**LIMITATION OF LIABILITY**

[26] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.

[27] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

**GENERAL**

[28] **DECLARES** that the Vendors and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

[29] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[30] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All

courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

[31] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

[32] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT COSTS**, save in case of contestation.

  
\_\_\_\_\_  
**STEPHEN W. HAMILTON J.S.C.**

M<sup>re</sup> Bernard Boucher  
(Blake, Cassels & Graydon LLP)  
Attorneys for the Petitioners

Hearing date: February 1, 2016

SCHEDULE "A" TO APPROVAL AND VESTING ORDER  
FORM OF CERTIFICATE OF THE MONITOR

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

File: No: 500-11-048114-157

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

Petitioners

-and-

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Mise-en-cause

-and-

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES / SEPT-ÎLES PORT AUTHORITY**

Mise-en-cause

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**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SEPT-ÎLES**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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## RECITALS

- A. Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Catouguay, J.S.C., of the Superior Court of Québec, [Commercial Division] (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the "**Initial Order**"), FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").
- B. Pursuant to an order of the Court granted May 20, 2015, the Monitor was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the "**Wabush CCAA Parties**"). The Wabush CCAA Parties and the Bloom Lake CCAA parties are referred to herein collectively as the "**CCAA Parties**".
- C. Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on February 1st, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of January 26, 2016 (the "**Purchase Agreement**") by and among Wabush Iron Co. Limited and Wabush Resources Inc., as vendors, and Administration Portuaire De Sept-Îles / Sept-Îles Port Authority, as purchaser (the "**Purchaser**") was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).
- D. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- E. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Conditions Certificates to the Monitor.
- F. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- G. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

## THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:

1. The Monitor has received payment in full of the Purchase Price in accordance with the Purchase Agreement.

2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred on at <TIME> on <>, 2016.

**THIS CERTIFICATE** was issued by the Monitor at <TIME> on <>, 2016.

**FTI Consulting Canada Inc., in its capacity as  
Monitor of the CCAA Parties, and not in its personal  
or corporate capacity.**

By: \_\_\_\_\_

Name: Nigel Meakin



**SCHEDULE "B" TO APPROVAL AND VESTING ORDER**  
**PERMITTED ENCUMBRANCES**

1. Servitude registered at the Registry Office for the Registration Division of Sept-Îles, under number 2 161;
2. Servitude registered at the Registry Office for the Registration Division of Sept-Îles, under number 32 464;
3. Servitudes or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Purchased Assets, provided such servitudes or rights-of-way are registered on title of the Purchased Assets;
4. Servitudes for the supply of utilities to the Purchased Assets and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided such servitudes are registered on title of the Purchased Assets;
5. Any unregistered servitudes or rights of way by Hydro-Québec to occupy a part of the Purchased Assets to install any circuits, poles and necessary equipment required for the connection or the network, in accordance to its by-law number 634 relating to the supply of electricity and any servitudes granted prior to January 1, 1917 which affect the Purchased Assets;
6. Restrictive covenants, private deed restrictions and other similar land use control agreements, provided they are registered on title to the Purchased Assets;
7. Any minor encroachments by any structure located on the Purchased Assets onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Purchased Assets;
8. Any title defects, irregularities, easements, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to the Purchased Assets;
9. The provisions of Applicable Laws, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning;
10. Any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent; and
11. Servitudes in favour of Hydro-Québec registered at the Registry Office for the Registration Division of Sept-Îles, under numbers 75 876 and 75-877.

## SCHEDULE "C" TO APPROVAL AND VESTING ORDER

### DESCRIPTION OF IMMOVABLE PROPERTY

The immovable known and described as being composed of a part of lot 3 931 541, lot 3 931 539 and part of lot 3 669 214, all of the cadastre of Québec, registration division of Sept-Îles, such lot and parts of lots being for purposes hereof particularly described as follows:

- a) Une partie du lot 3 931 541 du cadastre du Québec, circonscription foncière de Sept-Îles, décrite comme suit :

Une partie du lot 3 931 541, de figure irrégulière, bornée vers le nord-est et le nord par les lots 3 708 360 et 3 708 361, chemin de la Pointe-Noire, vers le nord-est, l'est, le nord, l'ouest et le sud-ouest par le lot 3 931 533, vers le nord et l'est par le lot 3 708 360, chemin de la Pointe-Noire, vers le nord par la partie restante du lot 3 931 541, vers le nord est par le lot 3 708 376, vers le sud et le sud-est par un territoire non cadastré, vers le sud-ouest et le sud par la limite des hautes eaux (marées) de la Baie-des-Sept-Îles (Territoire non cadastré), vers l'ouest par le lot 3 669 046, par un territoire non cadastré et par les lots 3 669 047 et 4 711 908, vers le sud-ouest par le lot 4 711 908 et vers le nord-ouest par le lot 3 708 359, rue Alband-Banchard, mesurant successivement 505,92 mètres, 30,04 mètres, 150,00 mètres, 50,02 mètres, 657,10 mètres, 7,87 mètres d'arc le long d'une courbe ayant un rayon de 5985,00 mètres, 94,78 mètres, 49,86 mètres, 49,98 mètres, 148,10 mètres d'arc le long d'une courbe ayant un rayon de 5985,00 mètres, 394,80 mètres et 338,91 mètres de long d'une courbe ayant un rayon de 815,00 mètres vers le nord-est, 104,06 mètres, 60,01 mètres, 90,00 mètres, 30,33 mètres, 51,32 mètres; 92,25 mètres d'arc le long d'une courbe ayant un rayon de 615,00 mètres, 35,95 mètres, 25,76 mètres, 21,05 mètres, 31,26 et 25,82 mètres vers le nord, 6,83 mètres vers le nord-ouest, 20,63 mètres, 51,45 mètres et 29,29 mètres vers le nord, 48,07 mètres, 5,39 mètres et 430,00 mètres vers le nord-ouest, 7,07 mètres vers le nord-est, 67,89 mètres vers l'est, 51,05 mètres d'arc le long d'une courbe ayant un rayon de 45,00 mètres vers le nord-est, 32,02 mètres vers le nord, 37,34 mètres vers l'est, 22,02 mètres vers le sud, 77,00 mètres vers l'est, 57,00 mètres vers le nord, 44,00 mètres vers l'ouest, 55,00 mètres vers le nord, 25,00 mètres vers l'ouest, 41,82 mètres et 25,72 mètres d'arc le long d'une courbe ayant un rayon de 40,00 mètres vers le sud-ouest, 40,70 mètres vers le sud, 98,10 mètres vers l'ouest, 35,21 mètres et 38,89 mètres d'arc le long d'une courbe ayant un rayon de 782,00 mètres vers le nord, 14,99 mètres vers le nord-ouest, 29,76 mètres vers le nord, 24,96 mètres vers le nord-ouest, 19,63 mètres d'arc le long d'une courbe ayant un rayon de 785,00 mètres, 24,55 mètres, 34,28 mètres d'arc le long d'une courbe ayant un rayon de 783,50 mètres, 29,45 mètres, 107,02 mètres d'arc le long d'une courbe ayant un rayon de 785,00 mètres, 180,94 mètres, 50,00 mètres, 35,00 mètres et 15,04 mètres vers le nord, 35,33 mètres vers l'est, 20,00 mètres, 70,46 mètres, 25,96 mètres, 63,00 mètres, 64,57 mètres, 61,30 mètres, 81,51 mètres d'arc le long d'une courbe ayant un rayon de 917,00 mètres vers le nord, 5,47 mètres vers le nord-ouest, 159,48 mètres d'arc le long d'une courbe ayant un rayon de 915,00 mètres, 193,99 mètres et 313,53 mètres vers le nord, 617,36 mètres vers le nord-est, 2111,36 mètres, 936,11 mètres et 232,24 mètres vers le sud, 265,84 mètres vers le sud-est, 1694,70 mètres mesurée en suivant une ligne sinueuse vers le sud-ouest et le sud, 135,90 mètres mesurée en suivant une ligne sinueuse vers le sud, 94,29 mètres, 1056,76 mètres et 389,82 mètres vers l'ouest, 78,00 mètres vers le sud-ouest et 89,56 mètres d'arc le long d'une courbe ayant un rayon de 522,92 mètres, 22,33 mètres d'arc le long d'une courbe ayant un rayon de 50,53 mètres et 30,67 mètres vers le nord-ouest; contenant une superficie de 3 321 872 mètres carrés.

- b) Le lot 3 931 539 du cadastre du Québec, circonscription foncière de Sept-Îles, lequel est plus particulièrement décrit comme suit:

De figure irrégulière, borné vers le nord-est par le lot 3 708 384, vers le sud-est et le nord-est par le lot 3 669 214, vers le sud, le sud-est, le sud-ouest et le sud par le lot 3 708 360, chemin de la Pointe-Noire, vers l'ouest, le sud et l'est par le lot 3 931 537 et vers le sud et le sud-ouest par le lot 3 708 361, chemin de la Pointe-Noire; mesurant successivement 235,54 mètres d'arc le long d'une courbe ayant un rayon de 813,35 mètres, 1535,40 mètres, 186,61 mètres d'arc le long d'une courbe ayant un rayon de 1796,57 mètres et 331,60 mètres vers le nord-est, 72,09 mètres vers le sud-est, 877,32 mètres vers le nord-est, 151,85 mètres, 31,62 mètres et 19,37 mètres vers le sud, 30,53 mètres vers le sud-est, 48,54 mètres et 19,57 mètres vers le sud, 6,62 mètres vers le sud-ouest, 72,62 mètres, 24,33 mètres, 34,11 mètres, 87,75 mètres d'arc le long d'une courbe ayant un rayon de 585,00 mètres, 48,70 mètres, 29,68 mètres, 90,00 mètres, 60,01 mètres et 45,00 mètres vers le sud, 45,00 mètres vers l'ouest, 40,00 mètres vers le sud, 45,00 mètres vers l'est, 19,06 mètres vers le sud, 326,43 mètres d'arc le long d'une courbe ayant un rayon de 785,00 mètres, 394,80 mètres, 148,84 mètres d'arc le long d'une courbe ayant un rayon de 6 015,00 mètres, 50,26 mètres, 50,16 mètres, 95,29 mètres, 7,91 mètres d'arc le long d'une courbe ayant un rayon de 6 015,00 mètres, 657,10 mètres, 50,02 mètres, 150,00 mètres, 30,04 mètres et 522,35 mètres vers le sud-ouest ; contenant une superficie de 662 919,9 mètres carrés.

- c) Une partie du lot 3 669 214 du cadastre du Québec, circonscription foncière de Sept-Îles, décrite comme suit :

De figure irrégulière, bornée vers le nord-ouest par une partie du lot 3 669 214, vers l'est, le nord et l'ouest par la partie du lot 3 669 214 qui remplace le lot Z-1 du bloc Z du cadastre du canton d'Arnaud, vers le nord par une partie du lot 3 669 214, vers le sud, le sud-est et le sud-ouest par le lot 3 708 360, chemin de la Pointe-Noire; mesurant successivement 420,43 mètres vers le nord-ouest, 55,32 mètres vers l'est, 434,95 mètres vers le nord, 24,08 mètres vers l'ouest, 390,14 mètres vers le nord, 52,21 mètres, 25,50 mètres, 25,50 mètres, 48,13 mètres, 154,25 mètres d'arc le long d'une courbe ayant un rayon de 885,00 mètres, 5,30 mètres et 78,49 mètres d'arc le long d'une courbe ayant un rayon de 883,00 mètres vers le sud, 5,30 mètres vers le sud-est, 44,24 mètres vers le sud, 17,89 mètres vers le sud-ouest, 24,75 mètres, 99,96 mètres, 50,00 mètres, 44,28 mètres, 20,62 mètres, 27,07 mètres, 35,00 mètres, 50,00 mètres, 180,94 mètres, 111,11 mètres d'arc le long d'une courbe ayant un rayon de 815,00 mètres, 30,63 mètres, 35,72 mètres d'arc le long d'une courbe ayant un rayon de 816,50 mètres et 25,54 mètres vers le sud; contenant une superficie de 122 810 mètres carrés.

For purpose of clarity, the Block Z is identified in the attached land survey plan as being delimited by the red colored borders.

## **SCHEDULE "D" TO APPROVAL AND VESTING ORDER**

### **REGISTRATIONS PUBLISHED AT THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION OF SEPT-ÎLES**

- Legal Hypothec (construction) in favour of Axor Experts-Conseil Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 306 859**;
- Legal Hypothec (construction) in favour of Kilotech Contrôle (1995) Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 231 306**;
- Prior Notice of the exercise of a sale by judicial authority in favour of Kilotech Contrôle (1995) Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 540 652**;
- Legal Hypothec (construction) in favour of Kilotech Contrôle (1995) Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 231 351**;
- Prior Notice of the exercise of a sale by judicial authority in favour of Kilotech Contrôle (1995) Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 540 654**;
- Legal Hypothec (construction) in favour of 3887952 Canada Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 269 941**;
- Prior Notice of the exercise of a sale by judicial authority in favour of 3887952 Canada Inc. registered at the Registry Office for the Registration Division of Sept-Îles, under number **21 503 424**.

## Annexe « C »

**SUPERIOR COURT**  
(Commercial Division)

**C A N A D A**

**PROVINCE OF QUÉBEC**  
**DISTRICT OF MONTRÉAL**

File: No: 500-11-048114-157

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:**

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

Petitioners

-and-

**WABUSH MINES**

Mise-en-cause

-and-

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES / SEPT-ÎLES PORT AUTHORITY**

Mise-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SEPT-ÎLES**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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**RECITALS**

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Catonguay, J.S.C., of the Superior Court of Québec, [Commercial Division] (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time

to time, the “**Initial Order**”), FTI Consulting Canada Inc. (the “**Monitor**”) was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the “**Bloom Lake CCAA Parties**”).

- B. Pursuant to an order of the Court granted May 20, 2015, the Monitor was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the “**Wabush CCAA Parties**”). The Wabush CCAA Parties and the Bloom Lake CCAA parties are referred to herein collectively as the “**CCAA Parties**”.
- C. Pursuant to an order (the “**Approval and Vesting Order**”) rendered by the Court on February 1st, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of January 26, 2016 (as amended by Amending Agreement No. 1 dated March 10, 2016, and as it may be further amended, restated and/or supplemented from time to time, the “**Purchase Agreement**”) by and among Wabush Iron Co. Limited and Wabush Resources Inc., as vendors, and Administration Portuaire de Sept-Îles / Sept-Îles Port Authority, as purchaser (the “**Purchaser**”) was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).
- D. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- E. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the “**Certificate**”) issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Conditions Certificates to the Monitor.
- F. The amounts to be withheld by the Purchaser, to be paid to and held by the Purchaser's solicitors pursuant to Section 3.4(2) and 3.5(2) of the Purchase Agreement will be evidenced by a certificate executed by the Purchaser's solicitors and delivered to the Monitor (the “**Withholdings Certificate**”).
- G. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- H. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

**THEREFORE, IN RELIANCE UPON: (i) THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER; AND (ii) THE WITHHOLDINGS CERTIFICATE ADDRESSED AND DELIVERED TO THE MONITOR BY THE PURCHASER'S SOLICITORS, THE MONITOR CERTIFIES THE FOLLOWING:**


1. The Monitor has received (a) the payment referred to in Section 3.2(2) of the Purchase Agreement, and (b) the Withholdings Certificate.



2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred at 4:35 pm Eastern time on March 10, 2016.

**THIS CERTIFICATE** was issued by the Monitor at Toronto on March 10, 2016.

**FTI Consulting Canada Inc., in its capacity as  
Monitor of the CCAA Parties, and not in its  
personal or corporate capacity.**

By:   
Name: Nigel Meakin

## Annexe « D »

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: February 1, 2016

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**PRESIDING: THE HONOURABLE STEPHEN W. HAMILTON J.S.C.**

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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, AS AMENDED:**

**CLIFFS QUÉBEC IRON MINING ULC**

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

**ARNAUD RAILWAY COMPANY**

Petitioners

-and-

**INVESTISSEMENT QUÉBEC**

-and-

**SOCIÉTÉ FERROVIAIRE ET PORTUAIRE DE POINTE-NOIRE S.E.C.**

Mises-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SEPT-ÎLES**

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS  
(QUÉBEC)**

Mises-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**APPROVAL AND VESTING ORDER**

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- [1] **ON READING** the Petitioners' *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* as amended and re-amended (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the 17<sup>th</sup> and 18<sup>th</sup> Reports of the Monitor dated January 22 and 27, 2016, (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated as of December 23, 2015 by and among Cliffs Québec Iron Mining ULC ("**CQIM**"), Wabush Iron Co. Limited, Wabush Resources Inc. and Arnaud Railway Company, as vendors (collectively, the "**Vendors**") and Investissement Québec, as purchaser, as assigned to the Mise-en-cause Société ferroviaire et portuaire de Pointe-Noire s.e.c. (the "**Purchaser**"), as assignee pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, and executed on February 1<sup>st</sup>, 2016, among Investissement Québec, the Purchaser and the Vendors (the "**Assignment and Assumption Agreement**"), a copy of the Purchase Agreement and the Assignment and Assumption Agreement were filed respectively as Exhibits R-10 and R-23 to the Motion, and vesting in the Purchaser all of the Vendors' right, title and interest in and to all of the Purchased Assets (as defined in the Purchase Agreement).

**FOR THESE REASONS, THE COURT HEREBY:**

- [5] **GRANTS** the Motion.
- [6] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

**SERVICE**

- [7] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [8] **PERMITS** service of this Order at any time and place and by any means whatsoever.

**SALE APPROVAL**

- [9] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendors is hereby authorized and approved, *nunc pro tunc*, without prejudice to the rights of creditors to object to the allocation of proceeds as among them and as among the Vendors, in each case for distribution purposes only.

- [10] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

#### **EXECUTION OF DOCUMENTATION**

- [11] **AUTHORIZES AND DIRECTS** the Vendors, the Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement (Exhibit R-10), with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

#### **AUTHORIZATION**

- [12] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Transaction and that no shareholder approval, if applicable, shall be required in connection therewith.

#### **VESTING OF THE PURCHASED ASSETS**

- [13] **ORDERS and DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear from any and all right, title, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendors should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [14] **ORDERS and DIRECTS** the Vendors to serve a copy of this Order to every party to the Assigned Agreements.
- [15] **ORDERS and DIRECTS** the Monitor, upon receipt of payment in full of the Cash Purchase Price, applicable Transfer Taxes payable by the Purchaser on Closing and the

Cure Costs payable by the Purchaser on Closing or evidence that such Cure Costs have been paid directly to the applicable counterparty, and of each of the Conditions Certificates, to (i) issue forthwith its Certificate concurrently to the Vendors and the Purchaser; and (ii) file forthwith after issuance thereof a copy of the Certificate with the Court.

- [16] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [17] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Cash Purchase Price and to remit the Cash Purchase Price in accordance with the provisions of this Order.

#### **CANCELLATION OF SECURITY REGISTRATIONS**

- [18] **ORDERS** the Land Registrar of the Registry Office for the Registration Division of Sept-Îles, upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the owner of the immovable property identified in **Schedule "C"** hereto (the "**Immovable Property**") and (ii) to cancel any and all Encumbrances on the Immovable Property (other than Permitted Encumbrances), including, without limitation, the registrations published at the said Registry Office listed on **Schedule "D"** hereto.

#### **NET PROCEEDS**

- [19] **ORDERS** that any amounts payable to the Vendors in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendors pending further order of the Court.
- [20] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after Closing, to remit (i) to the applicable counterparty(ies) to each Assigned Contract, the Cure Costs received by the Monitor from the Purchaser on Closing, and (ii) to the Vendors for remittance to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes received by the Monitor from the Purchaser on Closing, in the case of clause (i), in the amounts and to the persons as directed by the Purchaser and Vendor in writing to the Monitor on Closing.
- [21] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for applicable Cure Costs (if any) and Transfer Taxes (if any is payable) that are remitted by the Monitor pursuant to Paragraph 20 of this Order (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that upon the issuance of the Certificate, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the Closing.

- [22] **ORDERS** that the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

### **INTERIM DISTRIBUTION FROM NET PROCEEDS**

- [23] **AUTHORIZES and DIRECTS** the Monitor, as soon as practicable after the Closing of the Transaction, to remit from the Net Proceeds attributable to the Wabush CCAA Parties to Cliffs Mining Company (the "**Interim Lender**") on behalf of the Wabush CCAA Parties the amount necessary to repay the Interim Lender in full the total amount outstanding under the Interim Financing Documents, including the Interim Lender Expenses (as each term is defined in the order of this Court dated May 20, 2015) (collectively, the "**Interim Lender Repayment**"), as such amounts were approved by the order of this Court granted on May 20, 2015 and as rectified by an order granted on May 28, 2015.

### **REMITTANCE OF SALE ADVISOR FEE**

- [24] **AUTHORIZES and DIRECTS** the Monitor as soon as practicable after the Closing of the Transaction, to remit from the applicable Net Proceeds of each of the CCAA Parties to Moelis & Company LLC (the "**Sales Advisor**") amounts owing by each of the CCAA Parties, if any, in respect of the Transaction Fees (as that term is defined in the Engagement Letter) due and payable in accordance with the engagement letter (the "**Engagement Letter**") dated March 23, 2015 and secured by the Sale Advisor Charge (the "**Sale Advisor Fee**"), both as approved by the Order of this Court on April 17, 2015.

### **RELEASE OF FUNDS TO FUND COSTS AND EXPENSES OF THE WABUSH CCAA PARTIES**

- [25] **AUTHORIZES and DIRECTS** the Monitor to fund the costs and expenses of the Wabush CCAA Parties (the "**Expense Payments**") out of the Net Proceeds (after the Interim Lender Repayment and payment of Sale Advisor Fee in accordance with this Order) by way of weekly draws by the Wabush CCAA Parties against cash flow projections to be prepared by the Wabush CCAA Parties from time to time and as approved by the Monitor and subject to the Monitor holding such reserves as it considers necessary to secure the CCAA Charges (as defined in the Initial Order).

- [26] **ORDERS** that notwithstanding:

- a) the pendency of these proceedings;
- b) any assignment in bankruptcy;
- c) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (the "**BIA**") or otherwise and any order issued pursuant to any such application; or
- d) the provisions of any federal or provincial legislation;

The remittance of the Interim Lender Repayment and the Sales Advisor Fee and the Expense Payments in accordance with this Order is to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance,



transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- [27] **AUTHORIZES** the Monitor to take any and all steps which the Monitor, in its sole discretion and in consultation with the Vendors, may deem necessary in order to give effect to the above orders for the Interim Lender Repayment, the Sales Advisor Fee or the Expense Payments. Any such remittances made by the Monitor will be made without prejudice to any arguments concerning the allocation of such remittances amongst the CCAA Parties and the CCAA Parties will subsequently bring a motion on notice to the service list for an order allocating the remittances amongst the CCAA Parties.

#### **PROTECTION OF PERSONAL INFORMATION**

- [28] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

#### **VALIDITY OF THE TRANSACTION**

- [29] **ORDERS** that notwithstanding:

- a) the pendency of these proceedings;
- b) any assignment in bankruptcy;
- c) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA or otherwise and any order issued pursuant to any such application; or
- d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **LIMITATION OF LIABILITY**

- [30] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the

Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.

- [31] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

### **CONFIDENTIALITY**

- [32] **ORDERS** that the summary of Qualified Bids filed with the Court as Exhibit R-17 shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened prior to the Closing of the Transaction on further Order of the Court.

### **GENERAL**

- [33] **DECLARES** that the Vendors and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [34] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [35] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
- [36] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
- [37] **ORDERS** the provisional execution of the present Order, including without limiting the general application of the foregoing, the Interim Lender Repayment and the Sales Advisor Fee, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT COSTS**, save in case of contestation.

  
\_\_\_\_\_  
**STEPHEN W. HAMILTON J.S.C.**

M<sup>re</sup> Bernard Boucher  
(Blake, Cassels & Graydon LLP)  
Attorneys for the Petitioners

Hearing date: February 1, 2016

SCHEDULE "A" TO THE APPROVAL AND VESTING ORDER  
FORM OF CERTIFICATE OF THE MONITOR

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

File: No: 500-11-048114-157

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:

**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-

**INVESTISSEMENT QUÉBEC**

Mise-en-cause

-and-

-and-

**SOCIÉTÉ FERROVIAIRE ET PORTUAIRE DE POINTE-NOIRE S.E.C.**

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SEPT-ÎLES**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

### **CERTIFICATE OF THE MONITOR**

#### **RECITALS**

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Catouguay, J.S.C., of the Superior Court of Québec, Commercial Division (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the "**Initial Order**"), FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").
- B.** Pursuant to an order of the Court granted May 20, 2015, the Monitor was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the "**Wabush CCAA Parties**"). The Wabush CCAA Parties and the Bloom Lake CCAA parties are referred to herein collectively as the "**CCAA Parties**".
- C.** Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on February 1, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of December 23, 2015 (the "**Purchase Agreement**") by and among the Petitioners Cliffs Québec Iron Mining ULC, Wabush Iron Co. Limited and Wabush Resources Inc., and the Mise-en-cause Arnaud Railway Company, as vendors (the "**Vendors**"), and Investissement Québec, as purchaser, as assigned to the Mise-en-cause Société ferroviaire et portuaire de Pointe-Noire s.e.c. (the "**Purchaser**"), as assignee pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, and executed on February 1<sup>st</sup>, 2016, among Investissement Québec, the Purchaser and the Vendors, was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).

- D. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- E. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Conditions Certificates to the Monitor.
- F. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- G. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

**THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:**

1. The Monitor has received payment in full of the Cash Purchase Price, applicable Transfer Taxes payable by the Purchaser on Closing and the Cure Costs payable by the Purchaser on Closing or evidence that such Cure Costs have been paid directly to the applicable counterparty, in accordance with the Purchase Agreement.
2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred on at <TIME> on <\*>, 2016.

**THIS CERTIFICATE** was issued by the Monitor at <TIME> on <\*>, 2016.

***FTI Consulting Canada Inc., in its capacity as  
Monitor of the CCAA Parties, and not in its  
personal or corporate capacity.***

By: \_\_\_\_\_

Name: Nigel Meakin

## **SCHEDULE "B" TO APPROVAL AND VESTING ORDER**

### **PERMITTED ENCUMBRANCES**

1. Servitudes or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Owned Real Property, provided such servitudes or rights-of-way are registered on title to the Owned Real Property;
2. Servitudes for the supply of utilities to the Owned Real Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided such servitudes are registered on title to the Owned Real Property;
3. Any unregistered servitudes or rights of way by Hydro-Québec to occupy a part of the Owned Real Property to install any circuits, poles and necessary equipment required for the connection or the network, in accordance to its by-law number 634 relating to the supply of electricity and any servitudes granted prior to January 1, 1917 which affect the Owned Real Property;
4. Restrictive covenants, private deed restrictions and other similar land use control agreements, provided they are registered on title to the Owned Real Property;
5. Any minor encroachments by any structure located on the Owned Real Property onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Owned Real Property;
6. Any title defects, irregularities, easements, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to the Owned Real Property;
7. The provisions of Applicable Laws, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning; and
8. Any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent.



## SCHEDULE "C" TO APPROVAL AND VESTING ORDER

### IMMOVABLE PROPERTY

1) **CLIFFS QUÉBEC IRON MINING ULC / CLIFFS QUÉBEC MINE DE FER ULC** formerly known as **CONSOLIDATED THOMPSON IRON MINES LIMITED** ("Consolidated")

(a) Superficies created under the terms of the unregistered lease agreement number 474-109 between Administration Portuaire de Sept-Iles (the "Lessor") and Consolidated (the "Lessee") executed on October 29, 2009, with respect to all structures, buildings, work, infrastructure or equipment used to handle, transport and store, erected or placed by the Lessee on the leased premises which are composed of the following lots:

Lot FOUR MILLION SEVEN HUNDRED EIGHTY-SEVEN THOUSAND ONE HUNDRED AND FIFTY-SIX (4 787 156) of the Cadastre of Québec, in the Land Registration Division of Sept-Iles;

2) **WABUSH IRON CO. LIMITED** (for an undivided interest of 26.83%) and **WABUSH RESOURCES INC.**, (for an undivided interest of 73.17%)

(a) **LAND ADJACENT TO THE PORT OF SEPT-ÎLES:** All rights, title and interest in the following immovable properties known and designated as:

i) Lot number THREE MILLION SIX HUNDRED AND SIXTY-NINE THOUSAND AND FIFTY-EIGHT (3 669 058) of the Cadastre of Québec, Registration Division of Sept-Îles;

ii) Lot number THREE MILLION SEVEN HUNDRED AND EIGHT THOUSAND THREE HUNDRED AND THIRTY-FOUR (3 708 334) of the Cadastre of Québec, Registration Division of Sept-Îles;

iii) Lot number THREE MILLION NINE HUNDRED AND THIRTY-ONE THOUSAND FIVE HUNDRED AND TWELVE (3 931 512) of the Cadastre of Québec, Registration Division of Sept-Îles;

iv) Lot number THREE MILLION NINE HUNDRED AND THIRTY-ONE THOUSAND FIVE HUNDRED AND EIGHT (3 931 508) of the Cadastre of Québec, Registration Division of Sept-Îles;

v) Lot number THREE MILLION SEVEN HUNDRED AND EIGHT THOUSAND THREE HUNDRED AND EIGHTY-THREE (3 708 383) of the Cadastre of Québec, Registration Division of Sept-Îles;

vi) Lot number THREE MILLION SEVEN HUNDRED AND EIGHT THOUSAND THREE HUNDRED AND EIGHTY-FOUR (3 708 384) of the Cadastre of Québec, Registration Division of Sept-Îles;

vii) Lot number THREE MILLION SEVEN HUNDRED AND EIGHT THOUSAND THREE HUNDRED AND EIGHTY-FIVE (3 708 385) of the Cadastre of Québec, Registration Division of Sept-Îles;

viii) Lot number THREE MILLION NINE HUNDRED AND THIRTY-ONE THOUSAND FIVE HUNDRED AND THIRTY-FIVE (3 931 535) of the Cadastre of Québec, Registration Division of Sept-Îles;

ix) A part of lot number THREE MILLION NINE HUNDRED AND THIRTY-ONE THOUSAND FIVE HUNDRED AND FORTY-ONE (3 931 541) of the Cadastre of Québec, Registration Division of Sept-Îles, excluding the following:

Une partie du lot 3 931 541, de figure irrégulière, bornée vers le nord-est et le nord par les lots 3 708 360 et 3 708 361, chemin de la Pointe-Noire, vers le nord-est, l'est, le nord, l'ouest et le sud-ouest par le lot 3 931 533, vers le nord et l'est par le lot 3 708 360, chemin de la Pointe-Noire, vers le nord par la partie restante du lot 3 931 541, vers le nord est par le lot 3 708 376, vers le sud et le sud-est par un territoire non cadastré, vers le sud-ouest et le sud par la limite des hautes eaux (marées) de la Baie-des-Sept-Îles (Territoire non cadastré), vers l'ouest par le lot 3 669 046, par un territoire non cadastré et par les lots 3 669 047 et 4 711 908, vers le sud-ouest par le lot 4 711 908 et vers le nord-ouest par le lot 3 708 359, rue Alband-Blanchard; mesurant successivement 505,92 mètres, 30,04 mètres, 150,00 mètres, 50,02 mètres, 657,10 mètres, 7,87 mètres d'arc le long d'une courbe ayant un rayon de 5985,00 mètres, 94,78 mètres, 49,86 mètres, 49,98 mètres, 148,10 mètres d'arc le long d'une courbe ayant un rayon de 5985,00 mètres, 394,80 mètres et 338,91 mètres de long d'une courbe ayant un rayon de 815,00 mètres vers le nord-est, 104,06 mètres, 60,01 mètres, 90,00 mètres, 30,33 mètres, 51,32 mètres; 92,25 mètres d'arc le long d'une courbe ayant un rayon de 615,00 mètres, 35,95 mètres, 25,76 mètres, 21,05 mètres, 31,26 et 25,82 mètres vers le nord, 6,83 mètres vers le nord-ouest, 20,63 mètres, 51,45 mètres et 29,29 mètres vers le nord, 48,07 mètres, 5,39 mètres et 430,00 mètres vers le nord-ouest, 7,07 mètres vers le nord-est, 67,89 mètres vers l'est, 51,05 mètres d'arc le long d'une courbe ayant un rayon de 45,00 mètres vers le nord-est, 32,02 mètres vers le nord, 37,34 mètres vers l'est, 22,02 mètres vers le sud, 77,00 mètres vers l'est, 57,00 mètres vers le nord, 44,00 mètres vers l'ouest, 55,00 mètres vers le nord, 25,00 mètres vers l'ouest, 41,82 mètres et 25,72 mètres d'arc le long d'une courbe ayant un rayon de 40,00 mètres vers le sud-ouest, 40,70 mètres vers le sud, 98,10 mètres vers l'ouest, 35,21 mètres et 38,89 mètres d'arc le long d'une courbe ayant un rayon de 782,00 mètres vers le nord, 14,99 mètres vers le nord-ouest, 29,76 mètres vers le nord, 24,96 mètres vers le nord-ouest, 19,63 mètres d'arc le long d'une courbe ayant un rayon de 785,00 mètres, 24,55 mètres, 34,28 mètres d'arc le long d'une courbe ayant un rayon de 783,50 mètres, 29,45 mètres, 107,02 mètres d'arc le long d'une courbe ayant un rayon de 785,00 mètres, 180,94 mètres, 50,00 mètres, 35,00 mètres et 15,04 mètres vers le nord, 35,33 mètres vers l'est, 20,00 mètres, 70,46 mètres, 25,96 mètres, 63,00 mètres, 64,57 mètres, 61,30 mètres, 81,51 mètres d'arc le long d'une courbe ayant un rayon de 917,00 mètres vers le nord, 5,47 mètres vers le nord-ouest, 159,48 mètres d'arc le long d'une courbe ayant un rayon de 915,00 mètres, 193,99 mètres et 313,53 mètres vers le nord, 617,36 mètres vers le nord-est, 2111,36 mètres, 936,11 mètres et 232,24 mètres vers le sud, 265,84 mètres vers le sud-est, 1694,70 mètres mesurée en suivant une ligne sinueuse vers le sud-ouest et le sud, 135,90 mètres mesurée en suivant une ligne sinueuse vers le sud, 94,29 mètres, 1056,76 mètres et 389,82 mètres vers l'ouest, 78,00 mètres vers le sud-ouest et 89,56 mètres d'arc le long d'une courbe ayant un rayon de 522,92 mètres, 22,33 mètres d'arc le long d'une courbe ayant un rayon de 50,53

mètres et 30,67 mètres vers le nord-ouest; contenant une superficie de 3 321 872 mètres carrés.

- i) A part of lot number THREE MILLION SIX HUNDRED AND SIXTY-NINE THOUSAND TWO HUNDRED FOURTEEN (3 669 214) of the Cadastre of Québec, Registration Division of Sept-Îles, excluding the following:

De figure irrégulière, bornée vers le nord-ouest par une partie du lot 3 669 214, vers l'est, le nord et l'ouest par la partie du lot 3 669 214 qui remplace le lot Z-1 du bloc Z du cadastre du canton d'Arnaud, vers le nord par une partie du lot 3 669 214, vers le sud, le sud-est et le sud-ouest par le lot 3 708 360, chemin de la Pointe-Noire; mesurant successivement 420,43 mètres vers le nord-ouest, 55,32 mètres vers l'est, 434,95 mètres vers le nord, 24,08 mètres vers l'ouest, 390,14 mètres vers le nord, 52,21 mètres, 25,50 mètres, 25,50 mètres, 48,13 mètres, 154,25 mètres d'arc le long d'une courbe ayant un rayon de 885,00 mètres, 5,30 mètres et 78,49 mètres d'arc le long d'une courbe ayant un rayon de 883,00 mètres vers le sud, 5,30 mètres vers le sud-est, 44,24 mètres vers le sud, 17,89 mètres vers le sud-ouest, 24,75 mètres, 99,96 mètres, 50,00 mètres, 44,28 mètres, 20,62 mètres, 27,07 mètres, 35,00 mètres, 50,00 mètres, 180,94 mètres, 111,11 mètres d'arc le long d'une courbe ayant un rayon de 815,00 mètres, 30,63 mètres, 35,72 mètres d'arc le long d'une courbe ayant un rayon de 816,50 mètres et 25,54 mètres vers le sud; contenant une superficie de 122 810 mètres carrés.;

- xi) Lot number FOUR MILLION EIGHT HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED AND EIGHTY-ONE (4 873 981) of the Cadastre of Québec, Registration Division of Sept-Îles.

- xii) Lot number FOUR MILLION EIGHT HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED AND EIGHTY-THREE (4 873 983) of the Cadastre of Québec, Registration Division of Sept-Îles.

With all constructions erected thereon, including the building bearing civic number 1505 Chemin de la Pointe-Noire, in the City of Sept-Îles, Province of Québec.

### 3) ARNAUD RAILWAY COMPANY/COMPAGNIE DE CHEMIN DE FER ARNAUD

- (a) All rights, title and interest in the immovable properties located in the City of Sept-Îles forming a railway known and designated as being composed of the following lots:

i) Lot number THREE MILLION SIX HUNDRED SIXTY-NINE THOUSAND TWO HUNDRED AND EIGHTY-NINE (3 669 289) of the Cadastre of Québec, Registration Division of Sept-Îles.

ii) Lot number THREE MILLION SIX HUNDRED SIXTY-NINE THOUSAND THREE HUNDRED AND TEN (3 669 310) of the Cadastre of Québec, Registration Division of Sept-Îles.

iii) Lot number THREE MILLION SEVEN HUNDRED EIGHT THOUSAND TWO HUNDRED AND TWENTY-THREE (3 708 223) of the Cadastre of Québec, Registration Division of Sept-Îles.

- iv) Lot number THREE MILLION SEVEN HUNDRED EIGHT THOUSAND THREE HUNDRED AND THIRTEEN (3 708 313) of the Cadastre of Québec, Registration division of Sept-Îles.
- v) Lot number THREE MILLION SEVEN HUNDRED EIGHT THOUSAND THREE HUNDRED AND SIXTEEN (3 708 316) of the Cadastre of Québec, Registration division of Sept-Îles.
- vi) Lot number THREE MILLION SEVEN HUNDRED EIGHT THOUSAND THREE HUNDRED AND EIGHTEEN (3 708 318) of the Cadastre of Québec, Registration division of Sept-Îles.
- vii) Lot number THREE MILLION SEVEN HUNDRED EIGHT THOUSAND THREE HUNDRED AND NINETEEN (3 708 319) of the Cadastre of Québec, Registration division of Sept-Îles.
- viii) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED TWO (3 931 502) of the Cadastre of Québec, Registration division of Sept-Îles.
- ix) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED FOUR (3 931 504) of the Cadastre of Québec, Registration division of Sept-Îles.
- x) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED AND FIVE (3 931 505) of the Cadastre of Québec, Registration Division of Sept-Îles.
- xi) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SIX (3 931 506) of the Cadastre of Québec, Registration division of Sept-Îles.
- xii) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SEVEN (3 931 507) of the Cadastre of Québec, Registration division of Sept-Îles.
- xiii) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED NINE (3 931 509) of the Cadastre of Québec, Registration division of Sept-Îles.
- xiv) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED AND THIRTY (3 931 530) of the Cadastre of Québec, Registration Division of Sept-Îles.
- xv) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED FORTY (3 931 540) of the Cadastre of Québec, Registration division of Sept-Îles.
- xvi) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED FORTY-TWO (3 931 542) of the Cadastre of Québec, Registration division of Sept-Îles.

xvii) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED FORTY-FOUR (3 931 544) of the Cadastre of Québec, Registration division of Sept-Îles.

xviii) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED FIFTY-TWO (3 931 552) of the Cadastre of Québec, Registration division of Sept-Îles.

xix) Lot number THREE MILLION NINE HUNDRED THIRTY-ONE THOUSAND SIX HUNDRED AND TWENTY-THREE (3 931 623) of the Cadastre of Québec, Registration Division of Sept-Îles.

xx) Lot number THREE MILLION NINE HUNDRED FORTY THOUSAND NINE HUNDRED EIGHTY-ONE (3 940 981) of the Cadastre of Québec, Registration division of Sept-Îles.

xxi) Lot number FOUR MILLION EIGHTY-FIVE THOUSAND SEVEN HUNDRED NINETY-FOUR (4 085 794) of the Cadastre of Québec, Registration division of Sept-Îles.

(b) Superficies created under the terms of the unregistered lease agreement (File 919352 00 000) between Le Ministre des Ressources Naturelles et de la Faune (the "Lessor") and Consolidated and subsequently transferred to Arnaud Railway Company (the "Lessee") executed by the Lessor on March 18, 2010 and by the Lessee on March 22, 2010, with respect to all constructions to be erected or installed by the Lessee on the leased premises being four (4) parcels of land situated in a territory without a cadastral survey, in the Township of Letellier, containing 115 hectares, without being more fully described.

## **SCHEDULE "D" TO APPROVAL AND VESTING ORDER**

### **ENCUMBRANCES ON IMMOVABLE PROPERTY TO BE DISCHARGED**

1. Legal hypothec against Wabush Resources in favour of 3887952 Canada Inc. registered at the Land Registry, registration division of Sept-Îles under registration number 21 269 941 and related notice of exercise of hypothecary rights registered at the Land Registry, registration division of Sept-Îles under registration number 21 503 424;
2. Legal hypothec against Wabush Resources in favour of AXOR Experts-Conseil Inc. registered at the Land Registry, registration division of Sept-Îles under registration number 21 306 859;
3. Legal hypothec against Wabush Resources in favour of Kilotech Contrôle (1995) Inc. registered at the Land Registry, registration division of Sept-Îles under registration number 21 231 333 and related notice of exercise of hypothecary rights registered at the Land Registry, registration division of Sept-Îles under registration number 21 540 648;
4. Legal hypothec against Wabush Resources in favour of Kilotech Contrôle (1995) Inc. registered at the Land Registry, registration division of Sept-Îles under registration number 21 231 351 and related notice of exercise of hypothecary rights registered at the Land Registry, registration division of Sept-Îles under registration number 21 540 654;
5. Legal hypothec against Wabush Resources in favour of Kilotech Contrôle (1995) Inc. registered at the Land Registry under registration numbers 21 231 345 and 21 231 306 and related notice of exercise of hypothecary rights respectively registered at the Land Registry, registration division of Sept-Îles under registration number 21 540 646 and 21 540 652; and
6. Legal hypothec against Cliffs Québec Mine de Fer Ltée in favour of Kilotech Contrôle (1995) Inc. registered at the Land Registry, registration division of Sept Îles under registration number 21 231 484 and related notice of exercise of hypothecary rights registered at the Land Registry, registration division of Sept Îles under registration number 21 540 644.

## Annexe « E »

**SUPERIOR COURT**  
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

File: No: 500-11-048114-157

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:

BLOOM LAKE GENERAL PARTNER LIMITED  
QUINTO MINING CORPORATION  
CLIFFS QUÉBEC IRON MINING ULC  
THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP  
BLOOM LAKE RAILWAY COMPANY LIMITED

Petitioners

-and-

QUÉBEC IRON ORE INC.  
CHAMPION IRON LIMITED  
THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION  
OF SAGUENAY  
THE REGISTRAR OF THE PUBLIC REGISTER OF REAL AND IMMOVABLE MINING  
RIGHTS KEPT BY THE MINISTÈRE DE L'ÉNERGIE ET DES RESSOURCES NATURELLES  
(QUÉBEC)  
THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS  
(QUÉBEC)

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**CERTIFICATE OF THE MONITOR**



## RECITALS

- A. Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Catouguay, J.S.C., of the Superior Court of Québec, Commercial Division (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the "**Initial Order**"), FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").
- B. Pursuant to an order of the Court granted May 20, 2015, the Monitor was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the "**Wabush CCAA Parties**"). The Wabush CCAA Parties and the Bloom Lake CCAA parties are referred to herein collectively as the "**CCAA Parties**".
- C. Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on January 27, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of December 11, 2015 (as amended, restated, supplemented or otherwise modified from time to time the "**Purchase Agreement**") by and among Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, Bloom Lake General Partner Limited, the Bloom Lake Iron Ore Mine Limited Partnership, and Bloom Lake Railway Company Limited, as vendors, Québec Iron Ore Inc. ("**Québec Iron**") (and/or any of its Affiliates who is an assignee of some or all of Québec Iron's rights and obligations under the Purchase Agreement following an assignment pursuant to Section 10.16 of the Purchase Agreement), as purchaser, and Champion Iron Limited, as guarantor, was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).
- D. Pursuant to the Assignment and Assumption Agreement dated as of March 31, 2016, the right, title and interests of Québec Iron in and to the Purchase Agreement to the extent they related to certain Purchased Assets were assigned to an Affiliate of Québec Iron, Champion Iron Mines Limited ("**CIML**" and together with **Québec Iron**, as applicable, the "**Purchaser**").
- E. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- F. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Conditions Certificates to the Monitor.
- G. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- H. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:

1. The Monitor has received (i) payment in full of the Cash Purchase Price, and (ii) payment in full of the GST/HST and QST (if any is payable) and the Cure Costs payable by the Purchaser on Closing, each in the amounts set out in the Conditions Certificates.
2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred on at 5:00pm Eastern time on April 11, 2016.

THIS CERTIFICATE was issued by the Monitor at Toronto on April 11, 2016.

***FTI Consulting Canada Inc., in its capacity as  
Monitor of the CCAA Parties, and not in its  
personal or corporate capacity.***

By: 

Name: Nigel Meakin

## Annexe « F »

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED:**

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

Petitioners

- and -

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

Mises-en-cause

- and -

**FTI CONSULTING CANADA INC.**

Monitor

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**NINETEENTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

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## INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Quebec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.

2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended, restated or rectified from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”) and approving an interim financing term sheet dated May 19, 2015 (as amended, the “**Interim Financing Term Sheet**”), providing an interim facility of up to US\$10 million (the “**Interim Financing**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.
3. The Bloom Lake Stay Period and the Wabush Stay Period (together, the “**Stay Period**”) have been extended from time to time and currently expires on April 22, 2016.
4. On April 17, 2015, Mr. Justice Hamilton J.S.C. granted an Order (the “**SISP Order**”) approving, as it relates to the Bloom Lake CCAA Parties, a sale and investor solicitation process (as may be amended from time to time, the “**SISP**”) involving the business and assets of the Bloom Lake CCAA Parties. The SISP was subsequently amended and restated to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings and was approved *nunc pro tunc* as it relates to the Wabush CCAA Parties pursuant to an Order granted June 9, 2015 (together with the April 17, 2015 Order, the “**SISP Order**”).
5. On June 22, 2015, Mr. Justice Hamilton J.S.C. granted an Order (the “**June 22 Rep Order**”) *inter alia*:

- (a) Appointing Michael Keeper, Terence Watt, Damin Lebel and Neil Johnson as representatives (the “**Representatives**”) of the Salaried Members (as defined in the June 22 Rep Order); and
  - (b) Appointing Koskie Minsky LLP and Nicholas Scheib (collectively “**Representative Counsel**”) as legal counsel to the Representatives.
6. On November 5, 2015, Mr. Justice Hamilton J.S.C. granted an Order approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers (as amended, the “**Claims Procedure Order**”).
7. To date, the Monitor has filed eighteen reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Nineteenth Report (this “**Report**”), is to provide information to the Court with respect to:
- (a) The receipts and disbursements of the CCAA Parties for the period January 9 to March 25, 2016;
  - (b) The CCAA Parties’ revised and extended cash flow forecast for the period March 26, 2016 to September 30, 2016 (the “**April 8 Forecast**”);
  - (c) The current status of the realization of assets, including:
    - (i) The Pointe-Noire Transaction;
    - (ii) The Block Z Transaction;
    - (iii) The Bloom Lake Transaction;
    - (iv) The remaining Bloom Lake equipment;
    - (v) The Wabush Mine;

- (vi) The Restructuring Letter of Intent;
- (vii) Sundry remaining assets;
- (d) The appointment by the applicable regulators of independent administrators for the Wabush Pension Plans;
- (e) The progress of the Claim Procedure and Claims and D&O Claims filed by the Claims Bar Date and the D&O Claims Bar Date respectively;
- (f) The current status of the Monitor's review of the 2014 Reorganization;
- (g) The current status of the Fisheries Summonses Hearing;
- (h) The current status of the MFC Litigation;
- (i) The current status of the Beumer Litigation;
- (j) The motion filed by the Sept-Îles Port Authority ("**SIPA**") on March 29, 2016, for *inter alia* an Order for the payment of certain claims (the "**SIPA Claims**") by certain of the CCAA Parties (the "**SIPA Claims Motion**");
- (k) The motion filed by the USW for payments to be made to six bargaining unit employees that were working at the Pointe-Noire facility prior to the completion of the Pointe-Noire Transaction in lieu of normal cost pension contributions that could not be made following the termination of the Wabush Pension Plans (the "**USW Emoluments Motion**"); and
- (l) The CCAA Parties' request for an extension of the Stay Period to September 30, 2016 and the Monitor's recommendation thereon.



## TERMS OF REFERENCE

8. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties' books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the "**Information**").
9. Except as described in this Report:
  - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. The Monitor has prepared this Report in connection with the CCAA Parties' motion for an extension of the Stay Period scheduled to be heard April 20, 2016 (the "**April 20 Extension Motion**"). The Report should not be relied on for other purposes.
11. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

## **EXECUTIVE SUMMARY**

13. Capitalized terms used in the Executive Summary are as defined in the relevant section of the Report.
14. The Monitor is of the view that:
  - (a) The CCAA Parties have acted, and are acting, in good faith and with due diligence;
  - (b) Circumstances exist that make an extension of the Stay Period appropriate; and
  - (c) Creditors would not be materially prejudiced by an extension of the Stay Period to September 30, 2016.
15. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for an extension of the Stay Period to September 30, 2016 be granted.

## **RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO MARCH 25, 2016**

### **THE BLOOM LAKE CCAA PARTIES**

16. The Bloom Lake CCAA Parties' actual cash flow on a consolidated basis for the period from January 9 to March 25, 2016, excluding proceeds of asset realizations, was approximately \$1.3 million better than the January 19 Forecast before foreign exchange losses, as summarized below:

	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Receipts</b>	<b>345</b>	<b>236</b>	<b>(109)</b>
<b>Disbursements:</b>			
Payroll & Employee Benefits	(1,744)	(1,476)	268
Termination & Severance	0	0	0
Utilities	(1,171)	(1,058)	113
Other Operating Disbursements	(1,913)	(1,131)	782
<b>Operating Cash Flows</b>	<b>(4,483)</b>	<b>(3,429)</b>	<b>1,054</b>
Restructuring Professional Fees	(2,987)	(2,745)	242
<b>Projected Net Cash Flow</b>	<b>(7,470)</b>	<b>(6,174)</b>	<b>1,296</b>
<b>Beginning Cash Balance</b>	<b>27,823</b>	<b>27,823</b>	<b>0</b>
Projected Net Cash Flow	(7,470)	(6,174)	1,296
Foreign Exchange Gain/(Loss)	0	(1,290)	(1,290)
<b>Ending Cash Balance</b>	<b>20,353</b>	<b>20,359</b>	<b>6</b>

17. Explanations for the key variances in actual receipts and disbursements as compared to the January 19 Forecast are as follows:

- (a) The unfavourable variance in receipts is a timing variance as the March lease payment for the Mount-Wright Camp has not yet been received;
- (b) The favourable variance in payroll and employee benefits is a combination of timing and permanent variances;
- (c) The favourable variance of approximately \$0.1 million in utility costs is a permanent variance resulting from lower overall consumption than forecast;
- (d) The favourable variance of approximately \$0.8 million in other operating disbursements consists of favourable timing variances totalling approximately \$0.1 million expected to reverse in future periods and favourable permanent variances totalling approximately \$0.7 million as a result of lower than forecast requirements for maintenance and repairs, contractors and other costs;

- (e) The favourable variance of approximately \$0.2 million in aggregate professional fees is comprised of favourable timing variances of approximately \$1.7 million offset by unfavourable permanent variances of approximately \$1.5 million; and
  - (f) The foreign exchange gain arises as the Bloom Lake CCAA Parties hold certain funds and make certain payments in U.S. dollars and actual exchange rates vary from those used in the January 19 Forecast.
18. The Bloom Lake Initial Order permits inter-company funding between the Bloom Lake CCAA Parties. To date inter-company funding in the amount of approximately \$4.1 million has been advanced by Bloom Lake LP to CQIM since the start of the CCAA Proceedings.

**THE WABUSH CCAA PARTIES**

19. The Wabush CCAA Parties' actual cash flow, excluding Interim Financing draws, on a consolidated basis for the period from January 9 to March 25, 2016, excluding proceeds of major asset realizations, was in line with the January 19 Forecast, as summarized below:

	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Receipts</b>	<b>1,641</b>	<b>1,231</b>	<b>(410)</b>
<b>Disbursements:</b>			
Payroll & Employee Benefits	(715)	(973)	(258)
Termination & Severance	0	0	0
Contractors	(217)	(198)	19
Utilities	(350)	(429)	(79)
Other Operating Disbursements	(1,073)	(896)	177
<b>Operating Cash Flows</b>	<b>(714)</b>	<b>(1,265)</b>	<b>(551)</b>
Restructuring Professional Fees	(1,447)	(852)	595
<b>Projected Net Cash Flow</b>	<b>(2,161)</b>	<b>(2,117)</b>	<b>44</b>
<b>Beginning Cash Balance</b>	<b>1,133</b>	<b>1,133</b>	<b>0</b>
Interim Financing Draws	1,250	2,089	839
Projected Net Cash Flow	(2,161)	(2,117)	44
Foreign Exchange Gain/(Loss)	0	(5)	(5)
<b>Ending Cash Balance</b>	<b>222</b>	<b>1,100</b>	<b>878</b>

20. Explanations for the key variances in actual receipts and disbursements as compared to the January 19 Forecast are as follows:

- (a) The unfavourable variance of approximately \$0.4 million in receipts comprises a permanent favourable variance of approximately \$0.2 million in tax refunds offset by an unfavourable variance arising on the receipt of proceeds of the sale of employee housing pending finalization of closing adjustments;
- (b) The unfavourable variance of approximately \$0.3 million in payroll and employee benefits is a permanent variance resulting from the payment of vacation entitlements to employees on the sale of the Pointe-Noire Facility which had not been included in the January 19 Forecast due to uncertainty on timing;

- (c) The unfavourable variance of approximately \$0.1 million in utilities is primarily a permanent variance as a result of higher than forecast consumption;
  - (d) The favourable variance of approximately \$0.2 million in other operating disbursements is a permanent variance; and
  - (e) The favourable variance of approximately \$0.6 million in restructuring fees is believed to be comprised of favourable timing variances of approximately \$0.4 million that are expected to reverse in future periods combined with permanent favourable variances of approximately \$0.2 million.
21. As discussed later in this Report, the Interim Financing Facility was repaid following Closing of the Pointe-Noire Transaction.

#### **THE APRIL 8 FORECAST**

22. The April 8 Forecast is attached hereto as **Appendix A**. The April 8 Forecast shows a net cash outflow of approximately \$5.7 million for the Bloom Lake CCAA Parties and of approximately \$8.1 million for the Wabush CCAA Parties in the period March 26 to September 30, 2016. The April 8 Forecast has been prepared on the assumption that the Wabush Mine is not sold in the period. The April 8 Forecast is summarized below:

	<b>Bloom Lake CCAA Parties</b>	<b>Wabush CCAA Parties</b>
	<b>\$000</b>	<b>\$000</b>
<b>Receipts</b>	<b>403</b>	<b>173</b>
<b>Disbursements:</b>		
Payroll & Employee Benefits	(859)	(321)
Termination & Severance	(463)	0
Contractors	0	(2,285)
Utilities	(276)	(377)
Other Operating Disbursements	(1,250)	(1,952)
<b>Operating Cash Flows</b>	<b>(2,445)</b>	<b>(4,762)</b>
Restructuring Professional Fees	(3,256)	(3,351)
<b>Projected Net Cash Flow</b>	<b>(5,701)</b>	<b>(8,113)</b>

23. As noted above, the April 8 Forecast assumes the status quo, with no sale of the Wabush Mine. The sale of the Wabush Mine would result in a material reduction of cash expenditures. The current status of efforts to sell the Wabush Mine is discussed later in this Report. The April 8 Forecast also excludes the remittance of any taxes payable in respect of the Pointe-Noire Transaction, the Block Z Transaction and the Bloom Lake Transaction, which, if payable, would be remitted from the sale proceeds.
24. Of the \$7.2 million of net operating cash outflow, an estimated amount of approximately \$2.9 million relates to expenses already incurred. Similarly, of the \$6.6 million of restructuring professional fees included in the April 8 Forecast, an estimated amount of approximately \$3 million relates to amounts incurred prior to the date of this report.

#### **CURRENT CASH BALANCES**

25. In addition to the balances in the CCAA Parties' operating accounts, various amounts are held by the Monitor. Total cash balances are summarized below:

	<b>Bloom Lake CCAA Parties</b>	<b>Wabush CCAA Parties</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Held by Monitor<sup>1</sup></b>			
Sale proceeds accounts	57,553.2	1,067.1	58,620.3
Operating accounts	16,783.0	35,808.4	52,591.4
Supplier security deposits	125.1	0.0	125.1
Minimum Royalty deposits		1,626.6	1,626.6
<b>Total Held by Monitor</b>	<b>74,461.3</b>	<b>38,502.1</b>	<b>112,963.4</b>
Held by CCAA Parties <sup>2</sup>	1,364.4	465.3	1,829.7
<b>Total</b>	<b>75,825.7</b>	<b>38,967.4</b>	<b>114,793.1</b>

<sup>1</sup>As at April 12, 2016

<sup>2</sup>As at April 8, 2016

## CURRENT STATUS OF ASSETS REALIZATIONS

### THE POINTE-NOIRE TRANSACTION

26. The Pointe-Noire Transaction closed on March 8, 2016.
27. Pursuant to the provisions of the Interim Financing Term Sheet and in accordance with the provisions of the Pointe-Noire AVO, US\$8,340,351.02 was repaid to the Interim Lender on March 9, 2016, in full and final satisfaction of the obligations owing under the Interim Financing Term Sheet.
28. Pursuant to the provisions of the Moelis Engagement Letter and in accordance with the provisions of the Pointe-Noire AVO, US\$602,098.72, being the transaction fee and expenses owing in connection with the Pointe-Noire Transaction, was paid to Moelis on March 22, 2016.
29. Various amounts are outstanding in respect of property taxes related to the Pointe-Noire Facility and Block Z Lands. The Monitor, in consultation with the CCAA Parties, is in the process of determining the amounts of such property taxes that would be payable from the sale proceeds of the Pointe-Noire Transaction and the Block Z Transaction.



**THE BLOCK Z TRANSACTION**

30. The Block Z Transaction closed on March 10, 2016.

**THE BLOOM LAKE TRANSACTION**

31. The Bloom Lake Transaction closed on April 11, 2016.

**THE REMAINING BLOOM LAKE EQUIPMENT**

32. The remaining Bloom Lake equipment consists of equipment and rail cars that are subject to secured financing arrangements (the “**Key Bank Facility**”). As described in previous materials filed with the Court, the Key Bank Facility was in the original principal amount of approximately US\$164.8 million and was secured on specific equipment and rail cars (collectively, the “**Key Bank Equipment**”). Various portions of the Key Bank Facility were assigned to different lenders as follows:

<b>Lender</b>	<b>Original Principal (US\$)</b>	<b>Loan Schedule Ref.</b>	<b>Secured by Equipment</b>
Cole Taylor	\$8,710,091	Loan Schedule No. 1	KOMATSU PC4000 BLSO #6
BNS	\$33,871,319	Loan Schedule No. 2	424 Phase II Ore Gondola Cars
BNS	\$19,533,337	Loan Schedule No. 3	CATERPILLAR 7495 CABLE SHOVEL
Bank of Tokyo-Mitsubishi	\$24,842,747	Loan Schedule No. 4	313 Phase II Ore Gondola Cars
BNS	\$1,031,807	Loan Schedule No. 5	13 Phase II Ore Gondola Cars
BNS	\$9,465,638	Loan Schedule No. 6	CAT 7495 Shovel Training Unit ("Simulator")
Bank of the West	\$11,453,805	Loan Schedule No. 7	KOMATSU TRUCK 930E-4SE BLHT #152 KOMATSU TRUCK 930E-4SE BLHT #153
BBVA Compass Financial Corporation.	\$11,118,256	Loan Schedule No. 8	KOMATSU 930E-4SE BLHT#150 KOMATSU 930E-4SE BLHT#151
Suntrust Equipment Finance & Leasing Corp	\$16,713,828	Loan Schedule No. 9	KOMATSU TRUCK 930E-4SE BLHT #154 KOMATSU TRUCK 930E-4SE BLHT #155 KOMATSU TRUCK 930E-4SE BLHT #156
BBVA Compass Financial Corporation	\$13,446,239	Loan Schedule No. 10	KOMATSU 830E-1AC BLHT #111 KOMATSU 830E-1AC BLHT #112 KOMATSU 830E-1AC BLHT #113
Signature	\$4,007,306	Loan Schedule No. 11	KOMATSU 830E-1AC BLHT #114
Regions Bank	\$4,010,488	Loan Schedule No. 12	KOMATSU 830E-1AC BLHT #115
Cole Taylor	\$6,624,576	Loan Schedule No. 13	CATERPILLAR DRILL MD6640 BLDR #54
<b>TOTAL</b>	<b>\$164,829,438</b>		

33. The Key Bank Facility was guaranteed by Cliffs Natural Resources Inc. (“CNR”), the ultimate parent of the CCAA Parties. Each of the tranches of the Key Bank Facility other than loan schedules 4, 11 and 12 has now been repaid by CNR under the guarantee and CNR has either taken an assignment of the relevant claims and security or asserts a subrogated claim.
34. Various offers for elements of the Key Bank Equipment have been received and the CCAA Parties, in consultation with the Monitor, are in the process of endeavouring to negotiate the terms of an asset purchase agreement, subject to Court approval, for the sale of all the Key Bank Equipment other than the equipment under loan schedules 2, 3, 4, 5 and 6.
35. The Monitor has received a number of enquiries in respect of the equipment under loan schedules 3 and 6 but to date no definitive proposals have been received.
36. A proposal for the acquisition of 27 rail cars has been received and the CCAA Parties, in consultation with the Monitor, are in the process of endeavouring to negotiate the terms of an asset purchase agreement, subject to Court approval. No offers have yet been received for the remaining 723 rail cars.

#### **THE WABUSH MINE**

37. Paragraph 28 of the Monitor’s Sixteenth Report stated:

“Since the date of the Fifteenth Report, the interested party has been undertaking due diligence, including a visit to the Wabush Mine and discussions with various stakeholders. A letter of intent was submitted by the interested party on January 20, 2016 and is under consideration by the Wabush CCAA Parties in consultation with the Monitor. There is no guarantee that the letter of intent will lead to a binding agreement for the acquisition of the Wabush Mine.”

38. Since the date of the Sixteenth Report, the interested party has continued its due diligence and discussions with various stakeholders. The Wabush CCAA Parties and the interested party have exchanged a number of drafts of an asset purchase agreement but to date no agreement has been reached. There is no guarantee that the efforts of the parties will lead to a binding agreement for the acquisition of the Wabush Mine.
39. In the event that the parties are unable to agree on the terms of an asset purchase agreement or if the interested party decides not to proceed with the potential acquisition, the Monitor expects that the moveable Wabush Mine assets would be liquidated.

#### **THE RESTRUCTURING LETTER OF INTENT**

40. Paragraphs 29 and 30 of the Monitor's Sixteenth Report stated:

“29. The Monitor has previously stated to the Court that the Bloom Lake CCAA Parties have been in discussions with a party potentially interested in sponsoring a plan of arrangement that would generate significant value for the estate in connection with the corporate attributes of the Bloom Lake CCAA Parties, which value would be in addition to the proceeds of the various proposed sale transactions.

30. The Bloom Lake CCAA Parties have now received the Restructuring Letter of Intent. The Restructuring Letter of Intent states, *inter alia*, that the proposed restructuring assumes that Bloom Lake LP continues to exist and carry on business and is not bankrupt and that the Bloom Lake Transaction is completed prior to the closing of the proposed restructuring.”

41. The CCAA Parties, in consultation with the Monitor, have continued discussions with the party that submitted the Restructuring Letter of Intent. A standstill agreement was executed by the CCAA Parties on March 2, 2016, granting the interested party exclusivity with respect to the restructuring transaction proposed in the Restructuring Letter of Intent until April 22, 2016.
42. A revised proposal for the structuring of the proposed restructuring transaction was submitted by the interested party on March 14, 2016, and the CCAA Parties and the Monitor are undertaking due diligence to determine whether it is feasible and appropriate to continue negotiations and pursue the proposed restructuring transaction.

#### **SUNDRY REMAINING ASSETS**

43. Other than the assets described above, the only other major asset is the Mount-Wright Camp located near the Bloom Lake Mine. The Mount-Wright Camp is currently leased to ArcelorMittal pursuant to a lease agreement approved by the Court on April 17, 2015. A notice of termination was received from ArcelorMittal pursuant to the provisions of the lease on March 16, 2016, such termination to be effective on June 15, 2016.
44. Two parties have expressed preliminary interest in the Mount-Wright Camp though no acceptable offer has yet been received.

#### **APPOINTMENT OF ADMINISTRATORS OF THE WABUSH PENSION PLANS**

45. As previously reported, the relevant regulators terminated the Wabush Pension Plans effective December 16, 2015.
46. On March 1, 2016, the Wabush CCAA Parties requested that the regulators appoint replacement administrators for the Wabush Pension Plans.

47. Morneau Shepell was appointed as independent administrator of the Wabush Pension Plans by the regulators effective March 30, 2016.
48. The Monitor has been in contact with Morneau Shepell to discuss the relevant aspects of the CCAA Proceedings, including the Claims Procedure and the completion of the wind-up reports for the Wabush Pension Plans.

## **THE CLAIMS PROCEDURE**

### **CLAIMS**

49. The current status of the Claims Procedure is summarized below:

	Allowed/ To Be Allowed		In Progress		Disallowed/ To Be Disallowed	
	#	\$000	#	\$000	#	\$000
<b>Secured</b>						
CQIM	0	0.0	5	129,655.5	4	749.3
Bloom Lake LP	0	0.0	34	279,383.5	4	43,180.5
Bloom Lake GP	0	0.0	3	19,885.6	4	1,354.4
Quinto Mining	0	0.0	0	0.0	0	0.0
8568391 Canada	0	0.0	0	0.0	1	160.9
Bloom Lake Railway	0	0.0	0	0.0	0	0.0
Wabush Mines	0	0.0	6	54,105.4	1	25,774.5
WICL	0	0.0	1	8,862.8	0	0.0
WRI	0	0.0	2	13,646.4	0	0.0
Arnaud Railway	0	0.0	3	53,632.2	0	0.0
Wabush Lake Railway	0	0.0	2	53,000.0	0	0.0
<b>Total Secured</b>	<b>0</b>	<b>0.0</b>	<b>56</b>	<b>612,171.4</b>	<b>14</b>	<b>71,219.6</b>
<b>Unsecured</b>						
CQIM	50	127,085.6	22	6,983,202.2	11	0.8
Bloom Lake LP	159	139,257.7	70	1,281,499.9	27	8,535.6
Bloom Lake GP	1	119,999.2	4	494,366.3	10	0.0
Quinto Mining	0	0.0	5	16,952.1	11	100.0
8568391 Canada	0	0.0	0	0.0	8	0.0
Bloom Lake Railway	0	0.0	0	0.0	10	0.0
Wabush Mines	58	2,220.9	1,107	1,759,699.9	5	49,794.9
WICL	2	2,116.9	13	352,238.5	12	49,728.2
WRI	1	203.5	15	692,875.9	12	49,728.2
Arnaud Railway	1	0.1	11	36,962.6	11	3.5
Wabush Lake Railway	2	1,811.1	3	10,051.3	11	3.5
<b>Total Unsecured</b>	<b>274</b>	<b>392,695.0</b>	<b>1,250</b>	<b>11,627,848.7</b>	<b>128</b>	<b>157,894.7</b>
<b>Total</b>	<b>274</b>	<b>392,695.0</b>	<b>1,306</b>	<b>12,240,020.1</b>	<b>142</b>	<b>229,114.3</b>

50. The 1,306 claims in progress are summarized as follows:

- (a) 60 claims in the aggregate amount of approximately \$406.3 million are pending further legal review and/or the determination of the allocation of proceeds of realization and costs of the CCAA Proceedings, which allocation has not yet been approved by the Court;
- (b) 29 claims in the aggregate amount of approximately \$273.7 million are pending responses by the creditors to requests from the Monitor for further information or documentation;

- (c) 1,129 claims in the aggregate amount of approximately \$67 million are OPEB claims of former employees, which are discussed in further detail below;
- (d) 76 claims in the aggregate amount of approximately \$9.9 billion are Related Party Claims, which are discussed in further detail below; and
- (e) 12 claims in the aggregate amount of approximately \$1.6 billion are trade or restructuring claims.

***Related Party Claims***

- 51. 76 claims totalling approximately \$9.9 billion were filed by a CCAA Party against another CCAA Party or by a related party that is not subject to the CCAA Proceedings (collectively, “**Related Party Claims**”). Of the Related Party Claims, Claims totalling approximately \$199 million were filed as secured claims and Claims totalling approximately \$9.7 billion were filed as unsecured claims. The Monitor’s review of the Related Party Claims is in progress and to date no Related Party Claim has been allowed or disallowed.
- 52. The Monitor intends to provide a report on its review of the Related Party Claims and its assessment of the quantum, status and validity thereof once its review is completed. The Monitor intends to file that report prior to issuing any Notice of Allowance or any Notice of Revision or Disallowance in respect of the Related Party Claims in order to provide the opportunity for any relevant stakeholder to consider the Monitor’s assessment.
- 53. The support provided for the Related Party Claims includes in excess of 44,000 transaction entries. Accordingly, the Monitor’s review and analysis is expected to take a significant period of time and it is therefore not possible at this time to predict the likely timing for the completion of the Monitor’s report on the Related Party Claims.



***Secured Claims***

54. Secured Claims include:
- (a) A Related Party Claim for advances made by Cliffs Mining Company (“**CMC**”) to the Wabush CCAA Parties prior to the CCAA Proceedings (the “**CMC Secured Claim**” and the related security being the “**CMC Security**”);
  - (b) Claims relating to the Key Bank Facility (the “**Key Bank Claims**” and the related security being the “**Key Bank Security**”);
  - (c) Claims of CNR as guarantor under the Key Bank Facility;
  - (d) Claims of creditors holding a registered legal hypothec for construction (the “**Construction Hypothec Claims**” and the related security being the “**Construction Hypothecs**”);
  - (e) Claims filed by the pension administrators in respect of the Wabush Hourly Pension Plan and the Wabush Salaried Pension Plan;
  - (f) Claims filed in respect of environmental obligations; and
  - (g) Claims filed in respect of unpaid property taxes.
55. The Monitor’s Counsel has provided an independent opinion on the validity and enforceability of the CMC Security (the “**CMC Security Opinion**”). In summary, the CMC Security Opinion, subject to the qualifications and assumptions set out therein, opines that the CMC Security is valid and legally enforceable against the applicable Wabush CCAA Parties and their creditors. The Monitor has not completed its review of the quantum of the CMC Secured Claim which was filed in the amount of approximately \$8.9 million against each of WRI and WICL.

56. The Monitor's Counsel has provided an independent opinion on the validity and enforceability of the Key Bank Security (the "**Key Bank Security Opinion**"). In summary, the Key Bank Security Opinion, subject to the qualifications and assumptions set out therein, opines that the Key Bank Security is valid and legally enforceable against Bloom Lake LP or CQIM as applicable and their respective creditors. The Monitor has not completed its review of the quantum of the claims in respect of the Key Bank Facility. The Monitor notes that the amount of such claims that will have priority will depend on the proceeds of realization from the assets subject to the Key Bank Security and the allocation of the costs of the CCAA Proceedings, which allocation has not yet been approved by the Court. The Monitor's Counsel is also in the process of considering whether the claims of CNR in connection with payments made as guarantor of the Key Bank Facility are validly secured.
57. The Monitor's Counsel is in the process of preparing an independent opinion on the validity and enforceability of the Construction Hypothecs (the "**Construction Hypothec Opinion**"). The Monitor has not completed its review of the quantum of the Construction Hypothec Claims. The Monitor notes that the amount of such Claims that will have priority will depend on the allocation of realization proceeds and costs of the CCAA Proceedings, which allocation has not yet been approved by the Court and on the "added value" resulting from the works secured by the applicable Construction Hypothecs.

***Pension Claims***

58. The pension administrator of the Wabush Hourly Pension Plan filed claims against Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company in the amount of \$29 million in respect of wind-up deficit and in the amount of approximately \$6.1 million in respect of unremitted amortization payments.

59. The pension administrator of the Wabush Salaried Pension Plan filed claims against Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company in the amount of \$24 million in respect of wind-up deficit and in the amount of approximately \$1.9 million in respect of unremitted amortization payments.
60. As noted earlier in this Report, the relevant regulators have now appointed Morneau Shepell as independent administrator of the Wabush Pension Plans. Morneau Shepell will be filing wind-up reports quantifying the wind-up deficits of the Wabush Pension Plans. The Monitor is awaiting the wind-up reports prior to determining the quantum of the pension Claims.
61. The Monitor's Counsel is also currently reviewing matters related to potential priority of the pension Claims or any parts thereof.

***OPEB Claims***

62. The Monitor is working with Representative Counsel and the USW to determine the appropriate basis of the calculation of the OPEB claims. While there are 1,129 known individuals with such claims, the calculation methodology will be applied consistently across the group.
63. Representative Counsel and USW have engaged Segal Canada ("**Segal**") to provide actuarial support with respect to the OPEB claims. Representative Counsel and USW requested that the CCAA Parties fund the costs of Segal. The CCAA Parties, with the concurrence of the Monitor, made a proposal to the Representative Counsel and USW to which they responded on April 12, 2016. The CCAA Parties, in consultation with the Monitor, are considering the counter-proposal made.

### ***Late Claims***

64. 23 creditors filed proofs of claim asserting claims in the aggregate amount of approximately \$2.8 million after the Claims Bar Date of December 18, 2015 (collectively, the “**Late Claims**”), with the latest Late Claim being filed on March 7, 2016. The Monitor has been in contact with the parties that filed Late Claims to seek explanations as to why the Late Claims were filed after the Claims Bar Date.
65. The Monitor anticipates that a motion will be filed in the near future with respect to an amendment of the Claims Bar Date for some or all of the Late Claims.

### **D&O CLAIMS**

66. 53 D&O Claims were filed in the aggregate amount of approximately \$2.7 million. Of these, 37 D&O Claims in the aggregate amount of approximately \$1.6 million were subsequently confirmed as having been incorrectly filed as D&O Claims and have been re-characterized as Claims. The remaining 16 D&O Claims in the aggregate amount of approximately \$1.1 million were filed by employees in respect of vacation pay and termination amounts that are expected to be paid in due course consistent with the prior practice and disclosure of the CCAA Parties in the CCAA Proceedings. Assuming such amounts are paid, these D&O Claims would be disallowed and there would be no proven D&O Claims.

### **THE 2014 REORGANIZATION**

67. Paragraphs 44 and 45 of the Monitor’s Twelfth Report stated:

“44. The 2014 Reorganization was a complex, multi-stage corporate reorganization that had the effect of reducing inter-company indebtedness owed by CQIM to non-filing affiliates by approximately \$805.4 million from approximately \$5.6 billion to \$4.8 billion through the

transfer to non-filing affiliates of cash from the Australian subsidiaries of CQIM (the “Australian Subsidiaries”), the assignment of inter-company notes and the transfer of preferred and common shares in the Australian Subsidiaries held by CQIM.

45. The Monitor has requested that CNR provide various documents and other information with respect to the 2014 Reorganization and the inter-company indebtedness in order that the Monitor can undertake its review. To date, CNR has co-operated with the Monitor in respect of its review of the 2014 Reorganization and has provided documents and information in response to the Monitor’s original request. The Monitor has made additional requests for documents and information and CNR has informed the Monitor that it intends to provide additional information shortly.”

68. The Monitor has now received various additional documents and information relating to the 2014 Reorganization. The effect of the 2014 Reorganization on potential recoveries to creditors of CQIM can only be determined once the Claims against CQIM, including the Related Party Claims, are known. Accordingly, the Monitor is not yet in position to provide a detailed report on the 2014 Reorganization.

#### **THE FISHERIES SUMMONSES HEARING**

69. As described in the Monitor’s Fourteenth Report, the Fisheries Summonses were issued on October 28, 2015 and served on Newfoundland counsel to the Wabush CCAA Parties on November 5, 2015, and allege offences under the *Fisheries Act* as follows:

- (a) On or between May 14, 2015 and May 25, 2015, at or near the Town of Wabush, in the Province of Newfoundland and Labrador, following a deposit out of the normal course of events, at the final discharge point known as Knoll Lake, failed to conduct an acute lethality test without delay, in violation of paragraph 14(1)(b) of the *Metal Mining Effluent Regulations*, SOR/2002-222; and
- (b) On or about May 14, 2015 and continuing until May 25, 2015, at or near the Town of Wabush, in the Province of Newfoundland and Labrador, following the receipt of laboratory test results indicating that the limit for Total Suspended Solids in effluent set out in Schedule 4 of the *Metal Mining Effluent Regulations*, SOR/2002-222, had been exceeded, at the final discharge point known as Knoll Lake, failed to notify an inspector without delay, in violation of subsection 24(1) of the *Metal Mining Effluent Regulations*, SOR/2002-222.

70. Paragraph 32 of the Monitor's Fifteenth Report stated:

“32. The Fisheries Summonses Hearing took place by teleconference on December 17, 2015, before the Provincial Court in the Town of Wabush. The hearing was adjourned until February 25, 2016, in order to allow for written disclosures to be made by the Crown in respect of the alleged offences. No plea was required to be entered before the hearing resumes on February 25, 2016.”

71. The CCAA Parties have now entered a not guilty plea with respect to all of the charged entities and have received disclosure from the Crown. To date, no trial date has been set.

### **THE MFC LITIGATION**

72. As the Court is aware, there is a dispute between the Wabush CCAA Parties and MFC with respect to the amount of the quarterly Minimum Royalty Payment under the MFC Sub-Lease.
73. Pursuant to the Order of the Honourable Mr. Stephen Hamilton made December 4, 2015, the Wabush CCAA Parties made deposits of \$812,250 with the Monitor in December 2015 and January 2016 for amounts potentially payable in respect of the Minimum Royalty Payment. A further deposit of \$812,250 is scheduled to be made in April, 2016.

### **THE BEUMER LITIGATION**

74. On October 23, 2015, the CCAA Parties filed a motion (as amended from time to time, the "**Beumer Motion**") seeking the release of approximately US\$6.3 million (the "**Beumer Escrow Funds**") from an escrow agreement dated June 28, 2013 and entered into between Beumer Corporation ("**Beumer**"), Bloom Lake LP and BMO Trust Company (the "**Beumer Escrow Agreement**") in relation to certain disputed claims. The Beumer Escrow Agreement provides, as more fully set out therein, for the release of the Beumer Escrow Funds upon written agreement of the parties or upon a final and non-appealable court order or arbitration award directing delivery of the Beumer Escrow Funds.
75. In its contestation filed on December 17, 2015 (the "**Beumer Contestation**" and together with the Beumer Motion, the "**Beumer Litigation**"), Beumer responded by not only opposing the conclusions sought in the Beumer Motion, but also by seeking the release of the Beumer Escrow Funds to Beumer, despite the underlying claims of the parties being contested and not yet being finally adjudicated.

76. On December 18, 2015, Beumer filed a proof of claim in the Claims Procedure with respect to, *inter alia*, its underlying claim related to the Beumer Escrow Funds (the “**Beumer Claim**”), pursuant to the Claims Procedure Order. The Monitor’s review of the Beumer Claim is ongoing.
77. The hearing on the merits of the Beumer Litigation is scheduled for April 22, 2016. The dispute as to the merits and quantum of the parties’ underlying claims do not form part of the Beumer Litigation.
78. While the Monitor does not take a position with respect to the Bloom Lake CCAA Parties’ request for the release to them of the Beumer Escrow Funds as set out in the Beumer Motion, the Monitor will object to the release of the Beumer Escrow Funds to Beumer prior to the final adjudication of the Beumer Claim in accordance with the Claims Procedure Order.

#### **THE SIPA CLAIMS MOTION**

79. The SIPA Claims Motion seeks payment of the following amounts, in addition to interest and indemnity accruing thereon:

<b>CCAA Party</b>	<b>Agreement</b>	<b>Amount \$</b>
Wabush Mine <sup>1</sup>	Lease 474-46	10,902.78
CQIM	Lease 474-109	218,586.15
<b>Total Amount re Leases</b>		<b>229,488.93</b>
Wabush Mine <sup>1</sup>	MOA 1998	641,753.43
<b>Total Amount</b>		<b>871,242.36</b>

<sup>1</sup>Also claimed against WRI and WICL

80. No date is yet scheduled for a hearing on the SIPA Claims Motion. The Monitor will liaise with the parties to determine whether the SIPA Claims Motion can be consensually resolved and, if not, to attempt to agree a schedule for the motion.



### **THE USW EMOLUMENTS MOTION**

81. The USW Emoluments Motion seeks payments to the six bargaining unit employees that were working at the Pointe-Noire facility prior to the completion of the Pointe-Noire Transaction in lieu of normal cost pension contributions that would have been part of their compensation package but could not be made following the termination of the Wabush Pension Plans. The aggregate of the amounts in question is \$10,347.
82. The CCAA Parties and the USW, with the support of the Monitor, have agreed to settle the USW Emoluments Motion, which will be withdrawn or otherwise settled without costs and the amounts claimed will be paid by the CCAA Parties. The Monitor is in discussion with counsel to the USW with regard to logistical arrangements for the settlement.

### **ALLOCATION ISSUES**

83. As the Court is aware, the Bloom Lake AVO, the Pointe-Noire AVO and the Block Z AVO specifically provide that the transactions were approved without prejudice to the rights of creditors to object to the allocation of proceeds. Accordingly, prior to any distribution to creditors it will be necessary to obtain a final determination of the appropriate allocation of the proceeds of realizations among both the individual CCAA Parties and amongst various asset classes.
84. Furthermore, it will be necessary for an appropriate allocation of the costs of the CCAA Proceedings among both the individual CCAA Parties and amongst various asset classes to be determined.
85. The Monitor anticipates that a motion for such determinations can be brought once it is determined whether a sale of the Wabush Mine will proceed.

**REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

86. The Stay Period currently expires on April 22, 2016. Additional time is required for the CCAA and Parties and the Monitor to complete the CCAA Proceedings, including the following activities:
- (a) Determining whether a sale of the Wabush Mine can be negotiated;
  - (b) Completing the negotiation of definitive agreements for the sale of remaining assets, obtaining Court approval of such agreements and completing the transactions;
  - (c) Considering, and if appropriate, pursuing the proposed restructuring under the Restructuring Letter of Intent;
  - (d) Completing the Claims Procedure;
  - (e) Dealing with distributions to creditors, including the determination of the appropriate allocations of realizations and costs of the CCAA Proceedings amongst the estates and asset categories;
  - (f) Completing the investigation of the 2014 Reorganization and the effect thereof and determining what, if any, action should be taken with respect thereto; and
  - (g) Undertaking the other activities necessary to complete the CCAA Proceedings.
87. The continuation of the stay of proceedings is necessary to provide the stability needed to complete the foregoing activities. Accordingly, the CCAA Parties now seek an extension of the Stay Period to September 30, 2016.
88. The April 8 Forecast demonstrates that, subject to the underlying assumptions thereof, the CCAA Parties have sufficient liquidity to fund the CCAA Parties' operations and the CCAA Proceedings to September 30, 2016.

89. The CCAA Proceedings are complex and the activities and assets of the CCAA Parties are, to various extents, intertwined. The co-ordination of the various estates is, in the Monitor's view, critical to maximize efficiency and effectiveness. It is also the Monitor's view that a continuation of the CCAA Proceedings is, at the current time, the only realistic way that such co-ordination can be achieved and that the realization of assets for the benefit of all stakeholders can be completed.
90. Based on the information currently available, the Monitor believes that creditors of the CCAA Parties would not be materially prejudiced by an extension of the Stay Period to September 30, 2016.
91. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
92. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay Period to September 30, 2016.

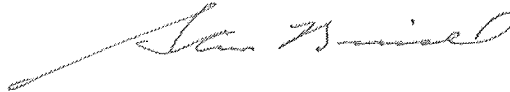
The Monitor respectfully submits to the Court this, its Nineteenth Report.

Dated this 13<sup>th</sup> day of April, 2016.

FTI Consulting Canada Inc.  
In its capacity as Monitor of  
Bloom Lake General Partner Limited, Quinto Mining Corporation,  
8568391 Canada Limited, Cliffs Québec Iron Mining ULC,  
Wabush Iron Co. Limited, Wabush Resources Inc.,  
The Bloom Lake Iron Ore Mine Limited Partnership,  
Bloom Lake Railway Company Limited, Wabush Mines,  
Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin  
Senior Managing Director



Steven Bissell  
Managing Director

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# Appendix A

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## The April 8 Forecast

**Bloom Lake CCAA Parties Cash Flow Projection**

Amounts in CAD in thousands

Week Ending Friday	1-Apr-16	8-Apr-16	15-Apr-16	22-Apr-16	29-Apr-16	6-May-16	13-May-16	20-May-16	27-May-16	3-Jun-16	10-Jun-16	17-Jun-16	24-Jun-16	1-Jul-16	8-Jul-16	15-Jul-16	22-Jul-16	29-Jul-16	5-Aug-16	12-Aug-16	19-Aug-16	26-Aug-16	2
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
<b>Cash Flow from Operations</b>																							
Receipts	-	-	115	-	115	-	-	-	115	-	-	-	-	58	-	-	-	-	-	-	-	-	-
Payroll & Employee Benefits	(339)	(5)	(424)	(5)	(76)	(5)	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Termination & Severance	-	-	(463)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	(21)	-	(25)	(131)	-	(8)	-	(91)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Disbursements	(348)	(170)	(102)	(128)	(81)	(73)	(6)	(6)	(18)	(48)	(6)	(6)	(6)	(48)	(6)	(6)	(6)	(48)	(6)	(6)	(6)	(6)	(48)
Operating Cash Flows	(708)	(175)	(899)	(264)	(42)	(86)	(6)	(102)	97	(48)	(6)	(6)	(6)	10	(6)	(6)	(6)	(48)	(6)	(6)	(6)	(6)	(48)
Restructuring Professional Fees	(43)	-	(168)	(54)	(1,802)	(178)	(51)	(51)	(51)	(51)	(49)	(49)	(49)	(49)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
Projected Net Cash Flow	(751)	(175)	(1,067)	(318)	(1,844)	(264)	(57)	(153)	46	(99)	(55)	(55)	(55)	(39)	(53)	(53)	(53)	(95)	(53)	(53)	(53)	(95)	(95)

**Notes:**

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the Bloom Lake CCAA Parties during the forecast period.
- [2] Forecast Receipts consist of monthly lease payments in respect of the Mount-Wright Camp Lease Agreement approved by the Court on March 30, 2015. Following the receipt of a termination notice, the lease is scheduled to terminate on June 15, 2016.
- [3] Forecast Payroll & Employee Benefits disbursements are based on actual payroll funding in the period leading up to the forecast period, and include accrued vacation payouts for Bloom Lake employees following the closing of the sale of the Bloom Lake business and assets.
- [4] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Bloom Lake operations on care and maintenance mode, and reflect current payment terms, rates and estimated consumption over the forecast period.
- [5] Forecast Other Operating Disbursements reflect the wind-down, and placement on care and maintenance of Bloom Lake. The timing of Other Operating Disbursements are assumed to be on 30 day credit terms.
- [6] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings based on estimates obtained from legal and professional advisors.

## Wabush CCAA Parties Cash Flow Projection

Amounts in CAD in thousands (\$000s)

Week Ending Friday	1-Apr-16	8-Apr-16	15-Apr-16	22-Apr-16	29-Apr-16	6-May-16	13-May-16	20-May-16	27-May-16	3-Jun-16	10-Jun-16	17-Jun-16	24-Jun-16	1-Jul-16	6-Jul-16	13-Jul-16	20-Jul-16	27-Jul-16	3-Aug-16	10-Aug-16	17-Aug-16	24-Aug-16	
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
<b>Cash Flow from Operations</b>																							
Receipts	-	14	-	14	-	-	14	-	14	-	14	-	14	-	14	-	14	-	-	-	14	-	
Payroll & Employee Benefits	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)	-	(23)
Termination & Severance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractors	(27)	(80)	(22)	(14)	(22)	(11)	(22)	(14)	(22)	(11)	(22)	(14)	(472)	(8)	(19)	(11)	(19)	(458)	(19)	(11)	(19)	(11)	(19)
Utilities	(154)	(8)	-	-	(36)	-	(4)	-	(4)	(30)	(2)	-	(2)	(30)	(2)	(5)	(2)	(30)	-	(3)	-	(3)	-
Other Operating Disbursements	(24)	(53)	(15)	(826)	(24)	(12)	(25)	(14)	(4)	(12)	(4)	(15)	(4)	(12)	(4)	(15)	(816)	(4)	(12)	(14)	(14)	(5)	(5)
<b>Operating Cash Flows</b>	<b>(228)</b>	<b>(126)</b>	<b>(59)</b>	<b>(826)</b>	<b>(104)</b>	<b>(23)</b>	<b>(58)</b>	<b>(28)</b>	<b>(37)</b>	<b>(53)</b>	<b>(16)</b>	<b>(28)</b>	<b>(486)</b>	<b>(50)</b>	<b>(33)</b>	<b>(30)</b>	<b>(845)</b>	<b>(492)</b>	<b>(53)</b>	<b>(13)</b>	<b>(13)</b>	<b>(46)</b>	<b>(46)</b>
Restructuring Professional Fees	(177)	-	(59)	(192)	(481)	(337)	(129)	(114)	(124)	(114)	(114)	(99)	(99)	(99)	(97)	(92)	(92)	(92)	(92)	(97)	(92)	(92)	(92)
<b>Projected Net Cash Flow</b>	<b>(405)</b>	<b>(126)</b>	<b>(118)</b>	<b>(1,017)</b>	<b>(585)</b>	<b>(359)</b>	<b>(187)</b>	<b>(141)</b>	<b>(161)</b>	<b>(166)</b>	<b>(150)</b>	<b>(127)</b>	<b>(585)</b>	<b>(148)</b>	<b>(130)</b>	<b>(122)</b>	<b>(937)</b>	<b>(584)</b>	<b>(150)</b>	<b>(105)</b>	<b>(138)</b>	<b>(138)</b>	<b>(138)</b>

### Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the Wabush CCAA Parties during the forecast period.
- [2] Forecast receipts include recurring mortgage payments associated with certain residential properties in Wabush owned by Wabush Mines, combined with the receipt of storage fees from an affiliated party in April and May.
- [3] Forecast Payroll & Employee Benefits disbursements are forecast based on current staffing levels and recent payroll amounts, and do not include any payments in respect of post-employment benefits.
- [4] Forecast disbursements in respect of Contractors consist primarily of environmental monitoring and containment activities related to the Scully mine, and are assumed to be paid when services are rendered.
- [5] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Scully Mine facilities and reflect current payment terms, rates and estimated consumption over the forecast period.
- [6] Forecast Other Operating Disbursements reflect costs of on-going monitoring and maintenance of the Scully Mine facilities not reflected in other line items. The timing of Other Operating Disbursements is assumed to be cash on delivery.
- [7] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings.
- [8] Forecast amounts denominated in U.S. dollars are converted to Canadian dollars at the rate of USD 0.76/CAD.