

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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**AMENDED AND RESTATED  
JOINT PLAN OF COMPROMISE AND ARRANGEMENT**

***Pursuant to the Companies' Creditors Arrangement Act***

**May 16, 2018**

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**AMENDED AND RESTATED  
JOINT PLAN OF COMPROMISE AND ARRANGEMENT**

**WHEREAS:**

- A. On January 27, 2015, the Court issued a Court Order (as amended, restated, supplemented or rectified from time to time, the **‘Bloom Lake Initial Order’**) commencing proceedings (the **‘CCAA Proceedings’**) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **‘CCAA’**) in respect of the petitioners, Bloom Lake General Partner Limited (**‘BLGP’**), Quinto Mining Corporation (**‘Quinto’**), 8568391 Canada Limited (**‘8568391’**) and Cliffs Québec Iron Mining ULC (**‘CQIM’**), and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership (**‘BLLP’**) and Bloom Lake Railway Company Limited (**‘BLRC’**), and together, with BLGP, Quinto, 8568391, CQIM, and BLLP, the **‘Bloom Lake CCAA Parties’**);
- B. On May 20, 2015, the Court issued a further Court Order (as amended, restated, supplemented or rectified from time to time, the **‘Wabush Initial Order’**) extending the scope of the CCAA Proceedings to the petitioners, Wabush Iron Co. Limited (**‘Wabush Iron’**) and Wabush Resources Inc. (**‘Wabush Resources’**) and the Mises-en-cause Wabush Mines, Arnaud Railway Company (**‘Arnaud’**) and Wabush Lake Railway Company Limited (**‘Wabush Railway’**) (collectively, the **‘Wabush CCAA Parties’**), and together with the Bloom Lake CCAA Parties, the **‘CCAA Parties’**);
- C. Pursuant to the Bloom Lake Initial Order and the Wabush Initial Order, FTI Consulting Canada Inc. was appointed Monitor (in such capacity and not in its personal or corporate capacity, the **‘Monitor’**) of the CCAA Proceedings;
- D. On July 25, 2017, the Court granted an Order, *inter alia*, approving a methodology for the allocation of proceeds of realizations of the CCAA Parties’ assets and the costs of the CCAA Proceedings amongst the CCAA Parties and, to the extent necessary, amongst assets or asset categories (as may be amended upon Final Determination of the Fermont Allocation Appeal, the **‘Allocation Methodology’**);
- E. As of the date hereof, substantially all material assets of the CCAA Parties have been sold. With the exception of certain sale proceeds distributed to parties with Proven Secured Claims or other Proven Priority Claims and amounts expended on operating costs and the fees and expenses of the CCAA Proceedings, the Monitor currently holds the net sale proceeds from these transactions determined by the Monitor in accordance with the Allocation Methodology, together with any Cash on hand at the commencement of the CCAA Proceedings that has not been expended during the CCAA Proceedings and all interest on the foregoing;
- F. Pursuant to the Bloom Lake Initial Order and the Wabush Initial Order, the Bloom Lake CCAA Parties and the Wabush CCAA Parties, respectively, have the authority to file with the Court, a plan of compromise or arrangement in accordance with the CCAA;

- G. There are certain material outstanding matters that remain to be completed in the CCAA Proceedings, including without limitation, the resolution of the CCAA Party Pre-Filing Interco Claims, the Non-Filed Affiliate Interco Claims, and the Non-Filed Affiliate Transaction Claims, and the resolution of the Pension Claims that are the subject of the Pension Priority Proceedings;
- H. The CCAA Parties entered into a term sheet dated March 14, 2018 with Cleveland-Cliffs Inc. (the “**Parent**”) and other Non-Filed Affiliates, as amended and restated by an Amended and Restated Restructuring Term Sheet dated May 16, 2018 (as it may be further amended, restated, supplemented and/or varied from time to time in accordance with the terms thereof, the “**Restructuring Term Sheet**”) pursuant to which (a) the Non-Filed Affiliates have agreed to support the Plan by foregoing the benefit of any distributions or payments they may otherwise be entitled to receive as creditors of the Participating CCAA Parties and providing the Non-Filed Affiliate Cash Contribution, and (b) the Participating CCAA Parties, Parent and other Non-Filed Affiliates, with the support of the Monitor, have agreed, subject to implementation of the Plan, to resolve the CCAA Party Pre-Filing Interco Claims, Non-Filed Affiliate Interco Claims and Non-Filed Affiliate Transaction Claims, and all other claims the CCAA Parties or any other Person may have against the Non-Filed Affiliates in accordance with the Plan;
- I. Pursuant to an order dated April 20, 2018 (the “**Original Meetings Order**”), the Court, *inter alia*, accepted the filing of a Joint Plan of Compromise and Arrangement dated April 16, 2018 (the “**Original Plan**”) by the Participating CCAA Parties (as they were then in the Original Plan), authorized such Participating CCAA Parties to hold meetings of Classes of Affected Unsecured Creditors for all such Participating CCAA Parties to consider and vote on a resolution to approve the Original Plan, as it may be amended;
- J. Subsequent to the Original Meetings Order, the CCAA Parties have reached settlements with and obtained the support of various Affected Unsecured Creditors with respect to their Claims, the terms and conditions of which are reflected in this Plan;
- K. To implement the Restructuring Term Sheet, the OPEB/Other Employee Claims Settlements and the Pension Claim Settlements, the CCAA Parties (other than 8568391, BLRC and Wabush Railway, which are intended to be dissolved prior to or as soon as reasonably practicable after the Plan Implementation Date, as applicable) (such remaining CCAA Parties, the “**Participating CCAA Parties**”), which term shall refer, in the case of the BL Parties and the Wabush Mines Parties, to such parties on a consolidated basis where the context requires), hereby propose this Plan to the Affected Creditors under and pursuant to the CCAA.

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In the Plan, including the Recitals therein, all capitalized terms used therein shall have the meanings ascribed thereto in **Schedule “A”**.

## 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to a Court Order or an existing document or exhibit filed or to be filed means such Court Order, document or exhibit as it may have been or may be amended, restated or varied from time to time;
- (c) unless otherwise specified, all references to currency and to "\$" or "Cdn.\$" are to Canadian dollars and references to US\$ are to United States dollars;
- (d) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" otherwise intended as complete or accurate descriptions of the content thereof;
- (e) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (g) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and the Schedules hereto and not to any particular "Article", "Section" or other portion of the Plan and include any documents supplemental hereto; and
- (j) the word "or" is not exclusive.

### **1.3 Time**

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Montreal, Québec, Canada.

### **1.4 Date and Time for any Action**

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

### **1.5 Successors and Assigns**

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers, trustees in bankruptcy, and successors and assigns of any Person or party named or referred to in the Plan.

### **1.6 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

### **1.7 Schedules**

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

- Schedule "A" – Definitions
- Schedule "B" – Non-Filed Affiliate Unsecured Interco Claims
- Schedule "C" – Non-Filed Affiliate Secured Interco Claims
- Schedule "D" – CCAA Party Pre-Filing Interco Claims
- Schedule "E" – Form of Sanction Order



**ARTICLE 2**  
**PURPOSE AND EFFECT OF THE PLAN**

**2.1 Purpose of Plan**

The purpose of the Plan is to:

- (a) facilitate the distribution of the Available Cash of the Participating CCAA Parties in a timely manner without costly and lengthy litigation and delay related to the adjudication of the CCAA Party Pre-Filing Interco Claims, Non-Filed Affiliate Interco Claims, Non-Filed Affiliate Transactions Claims, Pension Claims, OPEB Claims and Other Employee Claims;
- (b) implement the terms of the Restructuring Term Sheet in respect of the CCAA Party Pre-Filing Interco Claims, Non-Filed Affiliate Interco Claims and Non-Filed Affiliate Transactions Claims;
- (c) implement the OPEB/Other Employee Claims Settlements;
- (d) implement the Pension Claim Settlements;
- (e) effect a compromise, settlement and full and final release and discharge of all Affected Claims, including the Non-Filed Affiliate Interco Claims, in exchange for the distributions to Affected Unsecured Creditors with Proven Affected Unsecured Claims as contemplated by the Plan;
- (f) effect a full and final release and discharge of all Non-Filed Affiliate Transactions Claims, the Non-Filed Affiliate Employee Claims and all other claims the CCAA Parties and any other Person may have against the Parent and each other Non-Filed Affiliate Released Party in return for the contribution of the Non-Filed Affiliate Cash Contribution and the Non-Filed Affiliate Distribution/Payment Contribution; and
- (g) effect a full and final release of all claims against current and former directors and officers of the Parent and other Non-Filed Affiliates, including in respect of the Non-Filed Affiliate Employee Claims.

**2.2 Persons Affected**

The Plan provides for a compromise of the Affected Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date. The Plan shall be binding on and shall enure to the benefit of the Participating CCAA Parties, the Affected Creditors, the Released Parties and all other Persons named or referred to therein, receiving the benefit of, or subject to, the Plan. On the Plan Implementation Date, all Affected Claims will be fully and finally compromised, released, settled and discharged to the extent provided for under the Plan.

### 2.3 Persons Not Affected

The Plan does not affect Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect any of the Participating CCAA Parties' rights and defenses, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupment against any and all such Unaffected Claims.

### 2.4 Plan Sponsors and Restructuring Term Sheet

In accordance with the Restructuring Term Sheet, the Parent and certain other Non-Filed Affiliates have agreed, subject to the approval of the Plan by the Required Majority in each Unsecured Creditor Class and the sanction of the Court, to provide the following consideration for distribution to Affected Unsecured Creditors with Proven Claims:

- (a) The Parent and other Non-Filed Affiliates with Non-Filed Affiliate Unsecured Interco Claims and/or Non-Filed Affiliate Secured Interco Claims shall contribute (or cause to be contributed) to the CQIM Unsecured Creditor Cash Pool: (i) all Non-Filed Affiliate Plan Distributions distributed to them by the Monitor (net of the portion, if any, of the Non-Filed Affiliate Distribution Pension Contribution to the Pension Cash Pools contributed from the Non-Filed Affiliate Plan Distributions in accordance with the Irrevocable Payment Direction), on behalf of the Participating CCAA Parties, pursuant to Section 5.1(a), and (ii) all Non-Filed Affiliate Secured Payments paid to them by the Monitor (net of (X) any amounts required to be withheld and remitted pursuant to Section 7.2(b) and (Y) the portion, if any, of the Non-Filed Affiliate Distribution Pension Contribution to the Pension Cash Pools contributed from the Non-Filed Affiliate Secured Payments in accordance with the Irrevocable Payment Direction), on behalf of the Participating CCAA Parties, pursuant to Section 5.4(a), (the total net amounts to be contributed to the CQIM Unsecured Creditor Cash Pool pursuant to clause (i) and clause (ii) above, collectively, the "**Non-Filed Affiliate Distribution/Payment Contribution**"), in each case pursuant to the Irrevocable Payment Direction and for distribution in accordance with Section 7.1(j) to Affected Third Party General Unsecured Creditors of CQIM with Proven Claims and in accordance with Section 7.1(e) to Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims against CQIM;
- (b) The Parent and other Non-Filed Affiliates with Non-Filed Affiliate Unsecured Interco Claims and/or Non-Filed Affiliate Secured Interco Claims shall contribute (or cause to be contributed) an aggregate of Cdn.\$6 million of their Non-Filed Affiliate Plan Distributions and/or Non-Filed Affiliate Secured Payments to the Pension Cash Pools, as allocated Cdn.\$3 million to the Arnaud Pension Cash Pool and Cdn.\$3 million to the Wabush Pension Cash Pool for distribution to the Wabush Pension Plans in accordance with Section 7.1(i); and
- (c) The Parent, individually, or in connection with the other Non-Filed Affiliates, shall make (or cause to be made) an aggregate Cdn.\$19 million cash contribution, to be allocated Cdn.\$9.5 million to the Arnaud Pension Cash Pool and Cdn.\$9.5 million to the Wabush Pension Cash Pool (the "**Non-Filed Affiliate Cash**

**Contribution**”) for distribution to the Wabush Pension Plans in accordance with Section 7.1(i). In accordance with Section 11.3(f) the Non-Filed Affiliate Cash Contribution shall be paid to the Monitor, in trust at least three (3) Business Days prior to the date set for the Meetings as set out in the Amended and Restated Meetings Order; and

- (d) For greater certainty, any and all Cash forming part of:
  - (i) the Non-Filed Affiliate Distribution/Payment Contribution (which for greater certainty excludes the Non-Filed Affiliate Distribution Pension Contribution), shall only be available for distribution by CQIM to Affected Third Party General Unsecured Creditors with Proven Affected Third Party General Unsecured Claims against CQIM and Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims against CQIM, in accordance with the Plan;
  - (ii) the Non-Filed Affiliate Distribution Pension Contribution and the Non-Filed Affiliate Cash Contribution shall only be available for distribution to the Wabush Pension Plans in accordance with Section 7.1(i); and
  - (iii) Persons holding Secured Claims or Priority Claims shall not be entitled to any distribution or payment from the Non-Filed Affiliate Distribution/Payment Contribution (except indirectly through CCAA Party Pre-Filing Interco Claims), the Non-Filed Affiliate Distribution Pension Contribution or the Non-Filed Affiliate Cash Contribution.

## **2.5 No Assignment of Non-Filed Affiliate Unsecured and Interco Claims and Non-Filed Affiliate Secured Claims**

Unless there is a revocation or withdrawal of the Plan in accordance with Section 12.4, until the payment of the final Non-Filed Affiliate Plan Distribution and the final Non-Filed Affiliate Secured Payment pursuant to the Plan, there shall be no assignment of any Non-Filed Affiliate Secured Interco Claim or Non-Filed Affiliate Unsecured Interco Claim, or any part thereof, without the prior written consent of the Monitor.

### **ARTICLE 3**

## **LIMITED SUBSTANTIVE CONSOLIDATION, CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS**

### **3.1 Limited Substantive Consolidation**

The Plan will be subject to approval by the Required Majority in each Unsecured Creditor Class in respect of each Participating CCAA Party as provided in ARTICLE 4 below, and will provide for distinct distributions with respect to each Participating CCAA Party’s Affected Unsecured Creditors as set out in the Plan without substantive consolidation, except with respect to the consolidation of the following Participating CCAA Parties in accordance with the Plan:

- (a) CQIM and Quinto (together, the “**CQIM/Quinto Parties**”);

- (b) BLGP and BLLP (together, “**BL Parties**”); and
- (c) Wabush Iron, Wabush Resources, and Wabush Mines (together, the “**Wabush Mines Parties**”).

### 3.2 Claims Procedure

The procedure for determining the validity and quantum of Affected Unsecured Claims for voting and distribution purposes under the Plan shall be governed by the Amended Claims Procedure Order, subject to the following:

- (a) Non-Filed Affiliate Unsecured Interco Claims shall, subject to Section 4.2(b), be allowed for voting and distribution purposes in the amounts set out on **Schedule “B”** plus any increase in Claim amounts or additional Claims, in each case on account of Deficiency Claims held by the Non-Filed Affiliates, and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan;
- (b) Non-Filed Affiliate Secured Interco Claims shall be allowed for payment purposes based on the amounts set out on **Schedule “C”**, subject to application of the Allocation Methodology by the Monitor to determine the Allocated Value of the collateral subject to each such Non-Filed Affiliate Secured Interco Claim, and once so adjusted shall be treated as Proven Secured Claims for the purposes of the Plan;
- (c) CCAA Party Pre-Filing Interco Claims shall, subject to Section 4.2(b), be allowed for distribution purposes in the amounts set out on **Schedule “D”** and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan;
- (d) OPEB Claims and Other Employee Claims for Salaried Members shall be allowed for voting and distribution purposes under the Plan in the amounts and as against the applicable Participating CCAA Parties as agreed to pursuant to the Salaried OPEB/Other Employee Claims Settlement, and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan; and
- (e) OPEB Claims and Other Employee Claims for USW Members shall be allowed for voting and distribution purposes under the Plan in the amounts and as against the applicable Participating CCAA Parties as agreed to pursuant to the USW OPEB/Other Employee Claims Settlement and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan; and
- (f) Pension Claims shall be allowed for voting and distribution purposes under the Plan in the amounts and as against the applicable Participating CCAA Parties as agreed to pursuant to the Pension Claim Settlements and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan.

**ARTICLE 4**  
**CLASSIFICATION AND CLASSES OF AFFECTED UNSECURED CREDITORS**

**4.1 Unsecured Creditor Classes**

For the purposes of approving the Plan, Affected Unsecured Creditors with respect to each Participating CCAA Party shall be grouped into the following classes for voting (in respect of their Eligible Voting Claims) and distribution purposes (in respect of their Proven Claims) (each an “**Unsecured Creditor Class**”, and together the “**Unsecured Creditor Classes**”):

- (a) **CQIM/Quinto Unsecured Creditor Class:** Affected Unsecured Creditors of any of the CQIM/Quinto Parties;
- (b) **BL Parties Unsecured Creditor Class:** Affected Unsecured Creditors of any of the BL Parties;
- (c) **Wabush Mines Parties Unsecured Creditor Class:** Affected Unsecured Creditors of any of the Wabush Mines Parties (other than creditors holding Pension Claims in respect of such Pension Claims);
- (d) **Wabush Pension Claims Class:** Pension Plan Administrator, in respect of the Pension Claims against the Wabush Mines Parties;
- (e) **Arnaud Unsecured Creditor Class:** Affected Unsecured Creditors of Arnaud (other than creditors holding Pension Claims in respect of such Pension Claims); and
- (f) **Arnaud Pension Claims Class:** Pension Plan Administrator, in respect of the Pension Claims against Arnaud.

**4.2 Voting**

- (a) Except as otherwise provided in the Amended and Restated Meetings Order, and subject to the provisions of the Plan, Affected Unsecured Creditors shall be entitled to vote their Eligible Voting Claims at the applicable Meeting in respect of the Plan.
- (b) In accordance with the CCAA, the Non-Filed Affiliates and the Participating CCAA Parties, as related parties, will only be permitted to vote their Eligible Voting Claims, if any, against, but not for, the Plan. Pursuant to the Restructuring Term Sheet, the Non-Filed Affiliates and the Participating CCAA Parties have agreed not to vote their Eligible Voting Claims, if any, against the Plan provided the Plan is consistent with the Restructuring Term Sheet.

### 4.3 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall be:

- (a) entitled to vote on or approve the Plan or attend at any Meetings in respect of such Unaffected Claim; or
- (b) entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim.

### 4.4 Meetings

- (a) The Meetings in respect of each Unsecured Creditor Class shall be held in accordance with the Plan, the Amended and Restated Meetings Order and any further Court Order. The only Persons entitled to notice of, to attend or to speak at the Meetings are the Eligible Voting Creditors (or their respective duly-appointed proxyholders), representatives of the Monitor, the Participating CCAA Parties, all such parties' financial and legal advisors, the Chair, and secretary and scrutineers thereof. Any other Person may be admitted to the Meetings only by invitation of the Participating CCAA Parties or the Monitor or as permitted under the Amended and Restated Meetings Order or any further Court Order.
- (b) If the Plan is approved by the Required Majority in each Unsecured Creditor Class, then the Plan shall be deemed to have been agreed to, accepted and approved by the Affected Unsecured Creditors and, if sanctioned by the Court, shall be binding upon all Affected Creditors immediately upon the delivery of the Plan Implementation Date Certificate in accordance with Section 11.4.

### 4.5 No Double Proof

In respect of any Claim which is compromised under the Plan (a) which is the subject to a Guarantee or (b) in respect of which a Person has any right to or claim over in respect of or to be subrogated to the rights of any Person (such compromised Claim being the "**Principal Claim**"), no Person shall:

- (a) be entitled to any greater rights against the Participating CCAA Party in respect of which the Principal Claim relates than the Person holding the Principal Claim;
- (b) be entitled to vote on the Plan to the extent that the Person holding the Principal Claim votes on the Plan; or
- (c) be entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

**ARTICLE 5  
TREATMENT OF CLAIMS**

**5.1 Treatment of Non-Filed Affiliate Unsecured Interco Claims and CCAA Party Pre-Filing Interco Claims**

**(a) Non-Filed Affiliate Unsecured Interco Claims:**

- (i) In accordance with Section 7.1(b), each Non-Filed Affiliate holding a Non-Filed Affiliate Unsecured Interco Claim against a Participating CCAA Party shall be entitled to receive its Non-Filed Affiliate Plan Distribution in respect of such Participating CCAA Party, in an amount equal to its Non-Filed Affiliate Pro Rata Share of such Participating CCAA Party's Unsecured Creditor Cash Pool.

**(b) CCAA Party Pre-Filing Interco Claims:**

- (i) In accordance with Section 7.1(e), each CCAA Party holding a CCAA Party Pre-Filing Interco Claim against another Participating CCAA Party shall be entitled to receive its share of the CCAA Party Distributions in respect of such Participating CCAA Party, in an amount equal to its CCAA Party Distributions Pro Rata Share of such Participating CCAA Party's CCAA Party Distributions.

**5.2 Treatment of Pension Claims**

In accordance with Section 7.1(i), the amounts in the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool shall be transferred at the direction of the Pension Plan Administrator such that Cdn.\$9 million from each of the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool is received by the Hourly Pension Plan and Cdn.\$9 million from each of the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool is received by the Salaried Pension Plan. As a result of the foregoing and pursuant to the terms of the Plan, the total aggregate amount received by the Hourly Pension Plan shall be Cdn.\$18 million and the total aggregate amount received by the Salaried Pension Plan shall be Cdn.\$18 million, the whole subject to any additional distributions pursuant to Sections 7.5 and 7.8.

**5.3 Treatment of Affected Third Party General Unsecured Claims**

In accordance with Section 7.1(j), each Affected Third Party General Unsecured Creditor with a Proven Affected Third Party General Unsecured Claim against a Participating CCAA Party shall be entitled to receive a distribution in an amount equal to its Third Party Pro Rata Share of such Participating CCAA Party's Unsecured Creditor Cash Pool (which for greater certainty excludes the Pension Cash Pools), as adjusted by the applicable Unsecured Creditor Cash Pool Adjustments.

**5.4 Treatment of Secured Claims**

Each Secured Creditor holding a Proven Secured Claim shall receive payment of the Allocated Value (as determined by the Monitor in accordance with the Allocation Methodology) applicable to such Secured Claim in the manner described below:

- (a) **Non-Filed Affiliates Secured Interco Claims:**
  - (i) shall be unaffected by the Plan and shall not be permitted to vote on the Plan;
  - (ii) to the extent not previously paid, Non-Filed Affiliates who hold Non-Filed Affiliate Secured Interco Claims against a Participating CCAA Party shall receive payment of the Allocated Value applicable to such Proven Non-Filed Affiliate Secured Interco Claims (each a “**Non-Filed Affiliate Secured Payment**”) from such Participating CCAA Party in accordance with Section 7.1(a); and
  - (iii) all Non-Filed Affiliate Secured Payments received by Non-Filed Affiliates from time to time shall be contributed in accordance with Section 2.4(a) and the Irrevocable Payment Direction (i) directly or indirectly to CQIM by all such Non-Filed Affiliates in partial satisfaction of the Non-Filed Affiliate Distribution/Payment Contribution to be contributed by the Plan Sponsors to CQIM and/or (ii) to the Pension Cash Pools in partial satisfaction of the Non-Filed Affiliate Distribution Pension Contribution.
- (b) **Third Party Secured Claims:** Creditors holding Third Party Secured Claims:
  - (i) shall be unaffected by the Plan and shall not be permitted to vote on the Plan; and
  - (ii) to the extent not previously paid, shall receive payment on account of the Allocated Value of their Proven Third Party Secured Claims as soon as reasonably practicable after the Plan Implementation Date.

## 5.5 Unresolved Claims

- (a) No Affected Unsecured Creditors, Secured Creditors, or holders of Government Priority Claims shall be entitled to receive any distributions or any payments under or pursuant to the Plan with respect to an Affected Unsecured Claim, Secured Claim, or Government Priority Claim, or in each case, any portion thereof, unless and until, and then only to the extent that (i) such Claim is Finally Determined to be a Proven Claim, or (ii) is treated as a Proven Claim in accordance with the terms of the Plan, such that, in each case, the Claim is a Proven Affected Unsecured Claim, Proven Secured Claim, or Proven Government Priority Claim and is entitled to the treatment described in the Plan. Potential distributions in respect of Unresolved Affected Unsecured Claims or potential payments to Unresolved Secured Claims, or Government Priority Claims will be maintained in the Unresolved Claims Reserve until such claims are Finally Determined.



- (b) The Unresolved Claims Reserve may be reduced by the Monitor from time to time to the extent the amount of the Unresolved Claims Reserve exceeds the maximum amounts distributable or payable for remaining Unresolved Affected Unsecured Claims, Unresolved Secured Claims, or Unresolved Government Priority Claims.

## **5.6 D&O Claims and the Directors' Indemnities and Directors' Charges**

- (a) D&O Claims are Affected Claims under the Plan. A Creditor holding a D&O Claim, if any, is not entitled to vote on the Plan or receive any distributions under the Plan.
- (b) All released D&O Claims, other than D&O Claims that are Non-Released Claims, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date. To the extent that any part of a D&O Claim is a Non-Released Claim that part of the D&O Claim will not be compromised, released, discharged, cancelled or barred.
- (c) Any claim of a Director or Officer for indemnification from a Participating CCAA Party in respect of any D&O Claim (including any subrogation claim by an insurer) (a **'Director Indemnity Claim'**) shall be cancelled for no consideration except to the extent such Director Indemnity Claim is secured by the Directors' Charge, in which case such Director Indemnity Claim shall be treated for all purposes of the Plan as an Unaffected Claim.
- (d) To the extent a Director Indemnity Claim is in respect of an Equity Claim, such Director Indemnity Claim shall be treated for all purposes under the Plan as an Equity Claim.

## **5.7 Equity Claims and Equity Interests**

On the Plan Implementation Date, in accordance with the Plan, all Equity Claims, if any, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred. Holders of Equity Claims shall not be entitled to vote on the Plan at the Meetings. Equity Interests shall be unaffected by the Plan.

## **5.8 Employee Priority Claims and Government Priority Claims**

All Employee Priority Claims and Government Priority Claims which are Proven Claims, if any, to the extent unpaid prior to the Plan Implementation Date, shall be paid as soon as reasonably practicable after the Plan Implementation Date from the Available Cash pursuant to and accordance with this Plan, the Sanction Order and the CCAA, including for greater certainty payment of all Government Priority Claims which are Proven Claims, if any, within the six month period required under the CCAA. Pursuant to the OPEB/Other Employee Claims Settlements, the Salaried Members Representatives, on behalf of themselves and the Salaried Members, and the USW, on behalf of itself and the USW Members, have each acknowledged and agreed that for the purposes of the Plan, no Salaried Member or USW Member, respectively, has an Employee Priority Claim, subject only to the Pay Equity Priority Claim.

## **5.9 Duplicate Claims**

Where (a) an Affected Unsecured Creditor has or would have had a Duplicate Claim, arising from a Guarantee, where the principal debtor on a Claim is a Participating CCAA Party and the guarantor is another Participating CCAA Party, or (b) there is joint and several liability of two or more Participating CCAA Parties in respect of an Affected Unsecured Claim or portion thereof, such Affected Unsecured Creditor (to the extent its Affected Unsecured Claim is found to be a Proven Claim against each applicable Participating CCAA Party) shall be entitled to receive distributions under the Plan on account of its Proven Affected Unsecured Claims in each such Participating CCAA Party's Unsecured Creditor Class, provided that such Affected Unsecured Creditor shall not receive Plan Distributions in an aggregate amount more than the total amount of its Proven Affected Unsecured Claim.

#### **5.10 Extinguishment of Affected Claims**

On the Plan Implementation Date, in accordance with its terms and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims (including Proven Claims and Unresolved Affected Unsecured Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on all Participating CCAA Parties, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding a Released Claim. All Affected Claims and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled, and barred, and the Released Parties shall thereupon have no further obligations whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that nothing herein releases any of the Participating CCAA Parties or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Participating CCAA Parties shall be without prejudice to the right of an Affected Creditor in respect of an Unresolved Affected Unsecured Claim to prove such Unresolved Affected Unsecured Claim in accordance with the Amended Claims Procedure Order so that such Unresolved Affected Unsecured Claim may become a Proven Claim entitled to receive consideration under Sections 5.1 and 5.3 of the Plan.

#### **5.11 Currency**

All distributions and payments under the Plan will be made in Canadian dollars. In accordance with the Amended Claims Procedure Order, any claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the applicable Filing Date.

#### **5.12 Section 19(2) Claims**

Claims listed under Section 19(2) of the CCAA (**"Section 19(2) Claims"**) shall be Affected Claims for the purposes of this Plan; provided, however, that Section 19(2) Claims shall be deemed Unaffected Claims to the extent held by any Creditors who have not voted in favour of the Plan.

#### **5.13 Set-Off**

The law of set-off applies to all Claims.

## ARTICLE 6

### RESERVES, UNSECURED CREDITOR CASH POOLS, AND PENSION CASH POOLS

#### 6.1 The Establishment and Maintenance of Reserves, Unsecured Creditor Cash Pools, and Pension Cash Pools

The Monitor shall establish from Available Cash and maintain each of the Reserves required under the Plan and the Unsecured Creditor Cash Pools for each of the Participating CCAA Parties and shall allocate each of such Reserves and the Unsecured Creditor Cash Pools among each of the Participating CCAA Parties in accordance with the Plan, in each case on an accounting basis only. The Monitor shall establish from the Pension Pool Cash Contributions each of the Pension Cash Pools. No separate bank account or accounts will be established for any of the Reserves, or in connection with any of the Unsecured Creditor Cash Pools or the Pension Cash Pools.

#### 6.2 Administrative Reserve

- (a) An Administrative Reserve shall be established by the Monitor, on behalf of the Participating CCAA Parties, from Available Cash in an aggregate amount sufficient to fund the Administrative Reserve Costs, from time to time, as allocated among the Participating CCAA Parties (and not the Pension Cash Pools) in accordance with the Allocation Methodology. For greater certainty, in respect of the CQIM/Quinto Parties an Administrative Reserve shall be established from the Available Cash for CQIM only.
- (b) The Monitor shall hold and maintain the Administrative Reserve for the purposes of paying the Administrative Reserve Costs, from time to time, in accordance with the Plan and in accordance with the Allocation Methodology, and shall distribute the remaining balance in the Administrative Reserve, if any, after the Final Distribution in accordance with Section 7.8 of the Plan.

#### 6.3 Unresolved Claims Reserve

- (a) **General:** An Unresolved Claims Reserve shall be established by the Monitor, on behalf of the Participating CCAA Parties, from Available Cash in an aggregate amount sufficient to fund, without duplication (i) Plan Distributions should all Unresolved Affected Unsecured Claims be Finally Determined to be Proven Affected Unsecured Claims; (ii) payments on account of Unresolved Government Priority Claims should all such Unresolved Claims be Finally Determined to be Proven Government Priority Claims; and (iii) payments on account of all Unresolved Secured Claims should all such Unresolved Claims be Finally Determined to be Proven Secured Claims, and the Monitor shall hold and maintain the Unresolved Claim Reserve for the purposes of paying all such aforesaid claims once such claims are Finally Determined to be Proven Claims in accordance with Section 6.3(b) through (d) below.

- (b) **Unresolved Third Party Claims:** As Unresolved Third Party Unsecured Claims and Unresolved Third Party Secured Claims are Finally Determined, the Monitor shall (i) if an Unresolved Third Party Unsecured Claim is Finally Determined to be a Proven Affected Third Party General Unsecured Claim, distribute to such Affected Third Party Unsecured Creditor, an amount equal to its Third Party Pro Rata Share of the applicable Unsecured Creditor Cash Pool (ii) if the Unresolved Third Party Secured Claim is Finally Determined to be a Proven Secured Claim, distribute to such Secured Creditor an amount equal to the Allocated Value applicable to such Proven Secured Claim in accordance with Section 5.4(b)(ii), or (iii) if the Unresolved Third Party Claim is Finally Determined not to be a Proven Claim, transfer Cash, on an accounting basis, from the Unresolved Claim Reserve to the applicable Unsecured Creditor Cash Pool for distribution to Affected Unsecured Creditors thereof with Proven Affected Unsecured Claims, including Non-Filed Affiliate Unsecured Interco Claims and CCAA Party Pre-Filing Interco Claims.
- (c) **Unresolved Non-Filed Affiliate Unsecured Interco Claims and Unresolved Non-Filed Secured Interco Claims:**
- (i) As Unresolved Non-Filed Affiliate Interco Claims are Finally Determined, the Monitor shall (A) if an Unresolved Non-Filed Affiliate Unsecured Interco Claim is Finally Determined to be a Proven Affected Unsecured Claim, distribute to such Non-Filed Affiliate, an amount equal to its Non-Filed Affiliate Pro Rata Share of the applicable Unsecured Creditor Cash Pool, (B) if an Unresolved Non-Filed Affiliate Secured Interco Claim is Finally Determined to be a Proven Secured Claim, distribute to such Non-Filed Affiliate an amount equal to the Allocated Value applicable to such Proven Secured Claim in accordance with Section 5.4(a)(ii), or (C) if an Unresolved Non-Filed Affiliate Claim is Finally Determined not to be a Proven Claim, transfer Cash, on an accounting basis, from the Unresolved Claim Reserve to the applicable Unsecured Creditor Cash Pool for distribution to Affected Third Party Unsecured Creditors thereof with Proven Affected Unsecured Claims.
- (d) **Government Priority Claims:**
- (i) as Government Priority Claims are Finally Determined, the Monitor shall (A) if a Government Priority Claim is Finally Determined to be a Proven Government Priority Claim, as applicable, distribute to the holder of such Proven Government Priority Claim an amount equal to the Allocated Value applicable to such Proven Government Priority Claim, as applicable, in accordance with Section 5.8, or (B) if the Unresolved Government Priority Claim is Finally Determined not to be a Proven Claim, transfer Cash, on an accounting basis, from the Unresolved Claim Reserve to the applicable Unsecured Creditor Cash Pool for distribution to Affected Unsecured Creditors thereof, including Non-Filed Affiliate Unsecured Interco Claims and CCAA Party Pre-Filing Interco Claims.

#### **6.4 Directors' Charge Reserve**

- (a) On the Plan Implementation Date, a Directors' Charge Reserve in an amount to be agreed between the Monitor and D&O Independent Counsel or as otherwise determined by the Court if an amount cannot be agreed (which amount shall not exceed the aggregate amount of the Directors' Charges granted pursuant to the Bloom Lake Initial Order and the Wabush Initial Order) shall be established by the Monitor from Available Cash, as such amounts may be reduced from time to time as agreed by the D&O Independent Counsel and the Monitor or by further Court Order;
- (b) The Monitor shall hold and maintain the Directors' Charge Reserve for the purpose of paying any D&O Claims against the Directors or Officers of the Participating CCAA Parties for which indemnification claims by such Directors or Officers are secured by the Directors' Charges and are Finally Determined and shall distribute the remaining balance in the Directors' Charge Reserve after such Final Determination to the Unsecured Creditor Cash Pools of the appropriate Participating CCAA Parties, in each case for distribution to Affected Unsecured Creditors in accordance with the Plan.

#### **6.5 Creation of the Unsecured Creditor Cash Pools**

- (a) On the Plan Implementation Date, the Monitor shall establish and maintain the Unsecured Creditor Cash Pools from the Available Cash for each Participating CCAA Party, after reserving for the Reserves.
- (b) The Monitor, on behalf of the Participating CCAA Parties, shall distribute the Cash in the Unsecured Creditor Cash Pools and make the Unsecured Creditor Cash Pool Adjustments, in each case in accordance with Section 7.1 of the Plan, and shall distribute any remaining balance in any Unsecured Creditor Cash Pool after the Final Distribution in accordance with Section 7.8 of the Plan.

#### **6.6 Creation of the Pension Cash Pools**

- (a) On the Plan Implementation Date, the Monitor shall establish and maintain the Pension Cash Pools from the Pension Pool Cash Contributions.
- (b) The Monitor, on behalf of the Wabush Mines Parties and Arnaud, shall distribute all Cash in the Pension Cash Pools to the Pension Plan Administrator in accordance with Section 7.1(i).

**ARTICLE 7**  
**PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS, DISBURSEMENTS AND CONTRIBUTIONS**

**7.1 Distributions, Payments and Disbursements Generally; Order and Sequencing of Distributions and Payments**

Each and every Plan Distribution, payment and disbursement by the Participating CCAA Parties and each and every contribution by Non-Filed Affiliates, made on or after the Plan Implementation Date pursuant to or in accordance with the Plan shall, in each case, be made (X) in the manner, order and sequencing set out in Section 7.1(a) to (j) below, (Y) subject to and in accordance with Sections 7.2, 7.3, 7.4, and 7.7, and (Z) shall be reflected by accounting entries and adjustments in the applicable Unsecured Creditor Cash Pools:

**(a) Payment to Non-Filed Affiliates in respect of their Non-Filed Affiliate Secured Interco Claims**

The Monitor, on behalf of the Participating CCAA Parties, shall pay the Non-Filed Affiliate Secured Payments to all Non-Filed Affiliates holding Non-Filed Affiliate Secured Interco Claims, net of any amounts required to be withheld and remitted pursuant to Section 7.2(b), which net amount shall then be contributed pursuant to Section 7.1(c) to CQIM (as part of the Non-Filed Affiliate Distribution/Payment Contribution) and, if applicable, pursuant to Section 7.1(d) to the Pension Cash Pools (as part of the Non-Filed Affiliate Distribution Pension Contribution).

**(b) Distribution to Non-Filed Affiliates in respect of their Non-Filed Affiliate Unsecured Interco Claims**

The Monitor, on behalf of the Participating CCAA Parties, shall distribute to each Non-Filed Affiliate holding Proven Affected Unsecured Claims, its Non-Filed Affiliate Pro Rata Share of the applicable Unsecured Creditor Cash Pool, net of any amounts required to be withheld and remitted pursuant to Section 7.2(b), (each such net amount being the “**Non-Filed Affiliate Plan Distribution**”, and all such net amounts in the aggregate, collectively the “**Non-Filed Affiliate Plan Distributions**”) which shall then, pursuant to Section 7.1(c) and in accordance with the Irrevocable Payment Direction, be contributed (or caused to be contributed) by such Non-Filed Affiliates to CQIM as part of the Non-Filed Affiliate Distribution/Payment Contribution) and, if applicable, pursuant to Section 7.1(d) to the Pension Cash Pools (as part of the Non-Filed Affiliate Distribution Pension Contribution).

**(c) Contribution of Non-Filed Affiliate Distribution/Payment Contribution**

In accordance with the Irrevocable Payment Direction, each Non-Filed Affiliate who receives (i) a Non-Filed Affiliate Secured Payment pursuant to Section 7.1(a) and/or (ii) a Non-Filed Affiliate Plan Distribution pursuant to Section 7.1(b), shall contribute (or cause to be contributed) all such amounts received, less (i) its portion, if any, of the Non-Filed Affiliate Distribution Pension Contribution as set out in the Irrevocable Payment Direction, and (ii) in the case of a Non-Filed Affiliate Secured Payment, any amount withheld and remitted under Section 7.2(b)) to CQIM as part of its Non-Filed Affiliate Distribution/Payment Contribution.

(d) **Contribution of the Non-Filed Affiliate Distribution Pension Contribution**

In accordance with the Irrevocable Payment Direction, each Non-Filed Affiliate who receives (i) a Non-Filed Affiliate Secured Payment pursuant to Section 7.1(a) and/or (ii) a Non-Filed Affiliate Plan Distribution pursuant to Section 7.1(b), shall contribute (or cause to be contributed), its portion, if any, of the aggregate amount of Cdn.\$6 million which shall be included in the amount to be distributed to the Wabush Pension Plans in accordance with Section 7.1(i) (the “**Non-Filed Affiliate Distribution Pension Contribution**”), to be allocated Cdn.\$3 million to the Arnaud Pension Cash Pool and Cdn.\$3 million to the Wabush Pension Cash Pool.

(e) **Distribution to Participating CCAA Parties in respect of their CCAA Party Pre-Filing Interco Claims**

The Monitor, on behalf of the Participating CCAA Parties, shall make the respective CCAA Party Distributions from the applicable Unsecured Creditor Cash Pool to each holder of a CCAA Party Pre-Filing Interco Claim in accordance with their CCAA Party Distributions Pro Rata Share, after adjustment for the receipts, payments and distributions described in Sections 7.1(a) through 7.1(c) above, as applicable, to the applicable Participating CCAA Party holding a CCAA Party Pre-Filing Interco Claim. The CCAA Party Distributions shall be calculated by the Monitor.

(f) **Contribution of Non-Filed Affiliate Cash Contribution**

In accordance with Section 2.4(c) and the Irrevocable Payment Direction, the Parent, individually, or in connection with certain other Non-Filed Affiliates, shall contribute (or cause to be contributed) Cdn.\$9.5 million to the Arnaud Pension Cash Pool and Cdn.\$9.5 million to the Wabush Pension Cash Pool.

(g) **Contribution by Wabush Mines Parties to the Pension Cash Pools**

The Wabush Mines Parties shall make (or cause to be made) an aggregate Cdn.\$5.5 million cash contribution to the Wabush Pension Cash Pool (the “**Wabush Mines Pension Pool Contribution**”) for distribution to the Pension Plan Administrator in accordance with Section 7.1(i).

(h) **Contribution by Arnaud to the Pension Cash Pools**

Arnaud shall make (or cause to be made) an aggregate Cdn.\$5.5 million cash contribution to the Arnaud Pension Cash Pool (the “**Arnaud Pension Pool Contribution**”) and collectively with the Non-Filed Affiliate Distribution Pension Contribution, the Non-Filed Affiliate Cash Contribution and the Wabush Mines Pension Pool Contribution, the “**Pension Pool Cash Contributions**”) for distribution to the Pension Plan Administrator in accordance with Section 7.1(i).

(i) **Distribution to Wabush Pension Plans**

The Monitor, on behalf of the Wabush Mines Parties and Arnaud, shall distribute all of the Cash in the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool at the direction of the Pension Plan Administrator, such that the following amounts are received by the Hourly Pension Plan and the Salaried Pension Plan:

Pension Cash Pool from which Distribution Made	Amount of Distribution	Recipient of Distribution
Arnaud Pension Cash Pool	\$9,000,000	Hourly Pension Plan
Arnaud Pension Cash Pool	\$9,000,000	Salaried Pension Plan
Wabush Pension Cash Pool	\$9,000,000	Hourly Pension Plan
Wabush Pension Cash Pool	\$9,000,000	Salaried Pension Plan

(j) **Distribution to Affected Third Party Unsecured Creditors on Account of their Proven Affected Third Party General Unsecured Claims**

The Monitor, on behalf of the Participating CCAA Parties, shall distribute to each Affected Third Party Unsecured Creditor with a Proven Affected Third Party General Unsecured Claim its Third Party Pro Rata Share of the applicable Unsecured Creditor Cash Pools, after adjustments for the receipts, payments and distributions described in Sections 7.1(a) through 7.1(h) above, as set out below:

- (i) **CQIM Unsecured Creditor Cash Pool:** Each Affected Third Party Unsecured Creditor of CQIM with a Proven Affected Third Party General Unsecured Claim shall receive an amount equal to its Third Party Pro Rata Share of the CQIM Unsecured Creditor Cash Pool, as adjusted by the Unsecured Creditor Cash Pool Adjustments.
- (ii) **Quinto Unsecured Creditor Cash Pool:** Each Affected Third Party Unsecured Creditor of Quinto with a Proven Affected Third Party General Unsecured Claim shall receive an amount equal to its Third Party Pro Rata Share of the Quinto Unsecured Creditor Cash Pool, as adjusted by the Unsecured Creditor Cash Pool Adjustments.
- (iii) **BL Parties Unsecured Creditor Cash Pool:** Each Affected Third Party Unsecured Creditor of the BL Parties with a Proven Affected Third Party General Unsecured Claim shall receive an amount equal to its Third Party Pro Rata Share of the BL Parties Unsecured Creditor Cash Pool, as adjusted by the Unsecured Creditor Cash Pool Adjustments.
- (iv) **Wabush Mines Parties Unsecured Creditor Cash Pool:** Each Affected Third Party Unsecured Creditor of the Wabush Mines Parties with a Proven Affected Third Party General Unsecured Claim shall receive an amount equal to its Third Party Pro Rata Share of the Wabush Mines Unsecured Creditor Cash Pool, as adjusted by the Unsecured Creditor Cash Pool Adjustments.
- (v) **Arnaud Unsecured Creditor Cash Pool:** Each Affected Third Party Unsecured Creditor of Arnaud with a Proven Affected Third Party General Unsecured Claim shall receive an amount equal to its Third Party Pro Rata Share of the Arnaud Unsecured Creditor Cash Pool, as adjusted by the Unsecured Creditor Cash Pool Adjustments.



(k) **Plan Distributions from CQIM Unsecured Creditor Cash Pools and Quinto Unsecured Creditor Cash Pools.**

Notwithstanding Section 3.1(a), (i) if an Affected Unsecured Creditor holds an Affected Unsecured Claim against Quinto or CQIM that entitles such Affected Unsecured Creditor to a Plan Distribution, payment or disbursement hereunder, such Affected Unsecured Creditor shall be entitled to receive such Plan Distribution, payment or disbursement hereunder solely from the Quinto Unsecured Creditor Cash Pool or the CQIM Unsecured Creditor Cash Pool, as applicable, and such Affected Unsecured Creditor's distribution, payment or disbursement amount shall be calculated solely based upon the funds held in the Quinto Unsecured Creditor Cash Pool or the CQIM Unsecured Creditor Cash Pool, as applicable; and (ii) an Affected Unsecured Creditor's Non-Filed Affiliate Pro Rata Share, CCAA Party Distributions Pro Rata Share or Third Party Pro Rata Share, as applicable, in respect of any Proven Affected Unsecured Claim against Quinto or CQIM shall be based solely on Proven Affected Unsecured Claims against Quinto or CQIM, as the case may be (and not based on aggregated Proven Affected Unsecured Claims against Quinto and CQIM on a consolidated basis).

**7.2 Tax Matters**

- (a) Subject to Section 7.2(b) below, notwithstanding any provisions of the Plan, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (b) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld with respect to such payment under the *Income Tax Act* (Canada), or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or restated. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Participating CCAA Parties such documentation prescribed by Applicable Law or otherwise reasonably required by the Monitor or the Participating CCAA Parties as will enable the Monitor, in consultation with the Participating CCAA Parties, to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (c) To the extent that amounts are withheld or deducted from an amount payable to any Person and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person, together with the remainder of the payment in respect of which such withholding and deduction were made.

- (d) For the avoidance of doubt, it is expressly acknowledged and agreed that no Director or Officer will hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

### 7.3 Priority of Payments

The aggregate amount payable (the “**Payment Amount**”) under this Plan to a particular Creditor (the “**Payee Party**”) in respect of a particular Plan Distribution (including for greater certainty all distributions to Non-Filed Affiliates) or Non-Filed Affiliate Secured Payment in respect of a particular Participating CCAA Party (the “**Payor Party**”) shall be applied as follows in respect of the particular Claims giving rise to the applicable distribution or payment:

- (a) first, to the repayment of the principal amount of any loans or cash advances made by the Payee Party to the Payor Party up to the total principal amount;
- (b) second, but only in the case of a Payee Party who is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada) or who is resident in the United States for purposes of the *Canada-United States Income Tax Convention* and who qualifies for all of the benefits thereof (a “**Specified Payee Party**”), to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraph (a), to interest payable on any such loans or cash advances;
- (c) third, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) and (b), to unpaid reimbursements of expenses incurred by the Payee Party on behalf of or for the benefit of the Payor Party;
- (d) fourth, but only in the case of a Specified Payee Party, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) through (c), to interest payable on any amount described in paragraph (c);
- (e) fifth, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) through (d), to unpaid fees in respect of services provided by or on behalf of the Payee Party to the Payor Party, other than any such unpaid fees in respect of services rendered in Canada; and
- (f) finally, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) through (e), to any remaining Claims not described in such paragraphs.

For greater certainty, any terms or conditions of any Affected Claim that purport to deal with the ordering or grant of priority of payment of principal, interest, payments or other amounts shall be deemed void and ineffective to the extent inconsistent with the ordering provided for in this Section 7.3.

#### **7.4 Method of Payment**

All Plan Distributions to Affected Unsecured Creditors with Proven Affected Unsecured Claims (other than to Participating CCAA Parties, which shall be made as set out in Section 5.1 and to Non-Filed Affiliates, which shall be made pursuant to the Irrevocable Payment Direction) to be made by the Monitor, on the Participating CCAA Parties' behalf, under the Plan shall be made: (a) in the case of an Affected Unsecured Creditor that has not assigned its Affected Unsecured Claim, to the address set out in the Proof of Claim duly filed by such Affected Unsecured Creditor or any address subsequently provided to the Monitor in accordance with the Amended Claims Procedure Order or, in the case of Employees, the address provided to the Monitor by Salaried Members Representative Counsel or USW Counsel, and (b) in the case of an Affected Unsecured Creditor that is a Valid Transferee, to the address set out in such Valid Transferee's Notice of Transfer or Assignment.

#### **7.5 Treatment of Uncashed Distributions or Payments**

If any Affected Unsecured Creditor's distribution in respect of its Affected Unsecured Claim, Government Priority Claim or Secured Claim remains uncashed or remains returned as undeliverable or a Social Insurance Number, which is required to deliver distributions to an Employee, is not provided by or on behalf of such Employee to the Monitor in accordance with the terms of any Court Order (in each case, an "**Uncashed Distribution**") on the date that is six (6) months after the Final Distribution Date, such Proven Affected Unsecured Claim, Government Priority Claim or Secured Claim shall be forever barred as against the CCAA Parties without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time any Cash held by the Monitor in relation to such uncashed or unclaimed distribution shall be delivered to the Pension Plan Administrator for distribution to each of the Wabush Pension Plans equally. Nothing in the Plan or Sanction Order shall require the Monitor or the Participating CCAA Parties to attempt to locate any Affected Unsecured Creditor, Employee, Governmental Authority or Secured Creditor whose distribution is not cashed within the aforesaid period.

#### **7.6 Payment and Treatment of Certain Unaffected Claims**

- (a) The following Unaffected Claims shall be paid from the Administrative Reserve, in each case allocable to such Participating CCAA Party's share of the Administrative Reserve in accordance with the Allocation Methodology, as soon as reasonably practicable after the Plan Implementation Date, in accordance with this ARTICLE 7 and pursuant to the Sanction Order and the CCAA:
  - (i) all fees and disbursements of counsel to the Participating CCAA Parties, the Monitor and counsel to the Monitor (x) accrued but not yet paid prior to the Plan Implementation Date, and (y) accruing after the Plan Implementation Date; and
  - (ii) ordinary course expenses of the CCAA Parties;

- (b) From and after the Plan Implementation Date, the Administration Charges shall continue against the Unsecured Creditor Cash Pools, the Reserves, all remaining Property of the CCAA Parties and any additional proceeds realized by the CCAA Parties (including Tax Refunds) until such monies are disbursed or distributed by the Monitor, on behalf of the applicable Participating CCAA Party. The Administration Charges shall be in the same amounts and priority as set out in the Initial Order pursuant to and in accordance with the Sanction Order, as such amounts may be reduced from time to time as agreed by the CCAA Parties and the Monitor or by further Court Order.
- (c) From and after the Plan Implementation Date, the Directors' Charges shall continue solely against the Directors' Charge Reserve, in each case, in the same amount and priority as set out in the Initial Order pursuant to and in accordance with the Sanction Order. The Directors' Charge Reserve may be reduced from time to time as agreed by the D&O Independent Counsel and the Monitor or by further Court Order. The Directors' Charges may be reduced from time to time by further Court Order.
- (d) On the Plan Implementation Date, the Interim Lender Charge and the Sale Advisor Charge shall be terminated in accordance with the Sanction Order.

#### **7.7 Timing of Distributions**

- (a) The Monitor may from time to time make Plan Distributions on account of Proven Affected Unsecured Claims and will make no distribution in respect of a Claim until it is a Proven Claim.
- (b) Participating CCAA Parties:  
  
Distributions to Creditors of the Participating CCAA Parties, including to the Pension Plan Administrator in respect of the Pension Claims, will commence on the Interim Distribution Date.

For greater certainty, nothing in the Plan restricts or shall be deemed to restrict, payments on account of any Unaffected Claims that are secured by any of the CCAA Charges.

#### **7.8 Remaining Cash**

If the final amount in the applicable Unsecured Creditor Cash Pool is an amount for which the Monitor determines the cost of such distribution relative to the amount to be distributed is not justified, no Plan Distribution of such final amount shall occur and instead such amount shall be paid to the Wabush Pension Plans.

## ARTICLE 8 PLAN IMPLEMENTATION

### 8.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate action of any of the Participating CCAA Parties will occur and be effective as of the Effective Time, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, partners, Directors or Officers of such Participating CCAA Party. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or partners of the Participating CCAA Parties, as applicable.

## ARTICLE 9 CORPORATE MAINTENANCE AND RELATED MATTERS

### 9.1 Dissolutions

Any time after the Final Distribution from the applicable Unsecured Creditor Cash Pool of any Participating CCAA Party and prior to the termination of the CCAA Proceedings, at the request of the Parent, such Participating CCAA Party and its subsidiaries, with the consent of the Monitor acting reasonably, may take such steps as may be necessary to wind up and dissolve any of the Participating CCAA Parties in a tax efficient and orderly manner in accordance with applicable corporate law, and (a) immediately prior to such dissolution, all CCAA Charges shall be released and discharged from any and all property of such Participating CCAA Party, and (b) upon such dissolution, the CCAA Proceedings shall be terminated as against such entity.

### 9.2 Tax Elections

- (a) Subject to Section 9.2(b) below, the Participating CCAA Parties agree to execute, deliver and file such agreements, designations and/or elections under the *Income Tax Act* (Canada) or any other applicable taxing statute as may be requested by the Non-Filed Affiliates (or any one of them) (each, a “**Tax Filing**”), provided that either (a) such execution, delivery and filing does not give rise to any liability for taxes, interest or penalties to any of the Participating CCAA Parties or (b) any such liability is indemnified by the applicable Non-Filed Affiliates in a manner satisfactory to the Participating CCAA Parties and the Monitor.
- (b) Notwithstanding Section 9.2(a), the Participating CCAA Parties shall not execute, deliver or file any Tax Filing which is potentially detrimental to the timing or quantum of recoveries to Creditors of the Participating CCAA Parties or otherwise potentially detrimental to the timely completion of the CCAA Proceedings or any steps which the Monitor reasonably believes should be undertaken to complete the CCAA Proceedings (a “**Detrimental Tax Filing**”). Prior to executing, delivering or filing any Tax Filing, the applicable Participating CCAA Parties shall obtain confirmation from the Monitor that it does not consider the proposed Tax Filing to be a Detrimental Tax Filing. If the Monitor determines that the proposed Tax Filing is or may be a Detrimental Tax Filing, the

applicable Participating CCAA Parties shall not execute, deliver or file such Tax Filing unless otherwise authorized to do so by the Court. For greater certainty, the applicable Participating CCAA Parties and the Non-Filed Affiliates may at any time seek a Court Order authorizing and directing the applicable Participating CCAA Parties to execute, deliver and file the Tax Filing, including, without limitation, on the basis that it is not a Detrimental Tax Filing.

## ARTICLE 10 RELEASES

### 10.1 Plan Releases

- (a) As at the Effective Time, each of the CCAA Parties and their respective Directors, Officers, Employees, advisors, legal counsel and agents (being referred to individually as a **“BL/Wabush Released Party”**) shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature, including for greater certainty any Tax Claim and any monetary claim in connection with any indebtedness, liability or obligation by reason of a breach of a collective bargaining agreement, including grievances in relation thereto, or by reason of a breach of a legal or statutory duty under any employment legislation or pay equity legislation, which any Affected Creditor, Unaffected Creditor (except to the extent of its Unaffected Claim) or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Directors, Officers and Employees of the BL/Wabush Released Parties and any alleged fiduciary or other duty (whether such Employees are acting as a Director, Officer or Employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence (i) existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Amended Claims Procedure Order, and (ii) in respect of any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan, and in each case all claims arising out of such aforesaid actions or omissions shall be forever waived and released (other than the right to enforce the Participating CCAA Parties’ obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) any BL/Wabush Released Party if such BL/Wabush Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct, ~~or~~ (ii) the Directors with respect to matters set out in section 5.1(2) of the CCAA, or (iii) BLRC with respect to the Wabush/BLRC Claims.

- (b) As at the Effective Time, the Monitor, FTI and their respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (being referred to individually as a “**Third Party Released Party**”) shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature, including for greater certainty any Tax Claim and any monetary claim in connection with any indebtedness, liability or obligation by reason of a breach of a collective bargaining agreement, including grievances in relation thereto, or by an reason of a breach of a legal or statutory duty under any employment legislation or pay equity legislation, which any Affected Creditor, Unaffected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence (i) existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Amended Claims Procedure Order, and (ii) in respect of any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan, and in each case, all claims arising out of such aforesaid actions or omissions above, shall be forever waived and released (other than the right to enforce the Monitor’s obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct.
- (c) As at the Effective Time, the Non-Filed Affiliates, and their respective current and former members, shareholders, directors, officers and employees, advisors, legal counsel and agents (being referred to individually as a “**Non-Filed Affiliate Released Party**”) shall be released and discharged from any and all demands, claims (including, for greater certainty, all Non-Filed Affiliate Transactions Claims and the Non-Filed Affiliate Employee Claims), actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature, including for greater certainty any Tax Claim and any monetary claim in connection with any indebtedness, liability or obligation by reason of a breach of a collective bargaining agreement, including grievances in relation thereto, or by an reason of a breach of a legal or statutory duty under any employment legislation, pension benefits standards legislation or pay equity legislation, which any Affected Creditor, Unaffected Creditor or other Person may be entitled to assert (including, for greater certainty, a Pension Claim brought by

the Pension Plan Administrator or any other Person), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence (i) existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the CCAA Parties, the Claims, the Pension Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, the Non-Filed Affiliate Transactions Claims, the Non-Filed Affiliate Employee Claims or any Claim that has been barred or extinguished by the Amended Claims Procedure Order, and (ii) in respect of any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan, and in each case all claims arising out of such aforesaid actions or omissions shall be forever waived, discharged, released and barred (other than the right to enforce the Non-Filed Affiliates' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release and discharge any Non-Filed Affiliate Released Party if such Non-Filed Affiliate Released Party is judged by the express terms of a judgment rendered in a Final Order on the merits to have committed gross negligence, criminal, fraudulent or other wilful misconduct.

For greater certainty, the Non-Filed Affiliates shall not be released from (i) any indemnity provided by such Non-Filed Affiliate in favour of any Director or Officer, or (ii) any liability or obligation to pay income taxes which may be assessed by a Taxing Authority against the Non-Filed Affiliates, whether or not arising from the Non-Filed Affiliate Transactions Claims.

- (d) Without limiting the generality of foregoing Sections 10.1(a) to 10.1(c) of this Plan, section 36.1 of the CCAA, sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Participating CCAA Parties in connection with the Plan, including to any and all of the payments, distributions and transactions contemplated by and to be implemented pursuant to the Plan.
- (e) The Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, Liability or interest released, discharged, compromised or terminated pursuant to the Plan.
- (f) Nothing in the Plan shall be interpreted as restricting the application of section 21 of the CCAA.



**ARTICLE 11**  
**COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION**

**11.1 Application for Sanction Order**

If the Plan is approved by the Required Majority in each Unsecured Creditor Class in respect of each Participating CCAA Party, the Participating CCAA Parties shall file a motion seeking the Sanction Order to be heard on June 29, 2018 or such later date as the Court may order.

**11.2 Sanction Order**

The Sanction Order filed with the Court shall be substantially in the form attached as Schedule "E" hereto, as may be amended with the consent of the Participating CCAA Parties, the Parent and the Monitor.

**11.3 Conditions Precedent to Implementation of the Plan**

The implementation of the Plan, including distributions thereunder, shall be conditional upon the fulfilment or waiver, to the extent permitted by the CCAA, of the following conditions precedent by the date specified therefor:

- (a) each Unsecured Creditor Class shall have approved the Plan in the Required Majority;
- (b) the Amended and Restated Meetings Order shall have been granted;
- (c) the Sanction Order shall have been granted by June 29, 2018, or such later date as agreed to by the Participating CCAA Parties, the Parent and Monitor;
- (d) each of the Amended and Restated Meetings Order and the Sanction Order shall have become Final Orders;
- (e) if necessary to effect the Plan, the Participating CCAA Parties shall have filed all necessary annual information forms or returns under Applicable Law in order to maintain such Participating CCAA Parties in good standing as at the Plan Implementation Date;
- (f) the Monitor shall have received the Non-Filed Affiliate Cash Contribution at least three (3) Business Days' prior to the Meetings, to be held and distributed by the Monitor, on the Participating CCAA Parties behalf, on the Plan Implementation Date in accordance with Section 2.4(c) or returned to the Parent in accordance with Section 12.4;
- (g) the Monitor and the Participating CCAA Parties shall have received the Irrevocable Payment Direction at least three (3) Business Days prior to the Meetings;

- (h) the Monitor shall have received such clearance certificates, or comfort letters in lieu thereof from the Canada Revenue Agency or any other applicable Taxing Authority, as the Monitor considers necessary or advisable, to make any Plan Distributions;
- (i) the Monitor's Counsel shall have received, prior to the date of the Amended and Restated Meetings Order, a fully executed Notice of Discontinuance, providing for the withdrawal, with prejudice and without costs, in respect of the Pension Priority Appeal executed by each Pension Priority Party, as applicable, to be held by the Monitor's Counsel in escrow, and released from escrow and filed with the Québec Court of Appeal forthwith after the Plan Implementation Date;
- (j) the Monitor's Counsel shall have received, prior to the date of the Amended and Restated Meetings Order, a fully executed Notice of Discontinuance providing for the withdrawal, with prejudice and without costs, of the Newfoundland Reference Appeal executed by each Pension Priority Party, as applicable, to be held by the Monitor's Counsel in escrow, and released from escrow and filed with the Supreme Court of Canada forthwith after the Plan Implementation Date;
- (k) the Monitor's Counsel shall have received, prior to the date of the Amended and Restated Meetings Order, a fully executed Notice of Discontinuance providing for the discontinuance of the Non-Filed Affiliate Employee Actions, executed by each plaintiff in the Non-Filed Affiliate Employee Actions, as applicable, to be held by the Monitor's Counsel in escrow, and released from escrow and filed with the Newfoundland and Labrador Supreme Court Trial Division (General) forthwith after the Plan Implementation Date (which discontinuance such plaintiffs and the Non-Filed Affiliate Employee Defendants have confirmed their intention to be full and final and on a with prejudice and without costs basis); and
- (l) the Plan Implementation Date shall have occurred before July 31, 2018, or such later date as agreed to by the Participating CCAA Parties, the Parent and Monitor.

The Participating CCAA Parties, with the consent of the Monitor and the Parent may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such Parties may agree provided however, that (i) the conditions set out in (a), (b), (c), (e), (j), (k) and (l) above cannot be waived; and (ii) the conditions set out in (f), (g), (h), and (i) above may be waived by agreement of the Participating CCAA Parties and the Monitor and without the consent or agreement of the Parent.

Upon satisfaction or waiver, as permitted by the CCAA, of the foregoing conditions precedent by the date specified therefor, the Participating CCAA Parties and the Parent shall each deliver to the Monitor written notice confirming, as applicable, the fulfillment or waiver, to the extent available, of the conditions precedent to implementation of the Plan as set out in this Section 11.3 of the Plan (together, the "**Conditions Certificates**" and each a "**Condition Certificate**").

#### **11.4 Plan Implementation Date Certificate**

Upon receipt by the Monitor of the Conditions Certificate from the Participating CCAA Parties and the Parent, and the Monitor having received the payments and Irrevocable Payment Direction at the times described in Section 11.3 above, the Monitor shall (a) issue forthwith the Monitor's Plan Implementation Date Certificate concurrently to the Participating CCAA Parties and the Parent, and (b) file as soon as reasonably practicable a copy of the Monitor's Plan Implementation Date with the Court (and shall provide a true copy of such filed certificate to the Participating CCAA Parties and the Parent). In the cases of clauses (a) and (b), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions. Following the filing of the Monitor's Plan Implementation Date Certificate with the Court, the Monitor shall post a copy of same on the Website and provide a copy to the Service List.

#### **11.5 Conditions Precedent to Plan Distributions**

In addition to any other conditions set out herein, the Initial BL Plan Distribution and each Plan Distribution thereafter, shall be conditional upon the Monitor having established the Reserves in accordance with ARTICLE 6 of the Plan.

### **ARTICLE 12 GENERAL**

#### **12.1 General**

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time and the steps set out in ARTICLE 7 will be implemented;
- (b) the treatment of Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Participating CCAA Parties, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, or subject to, the Plan and their respective heirs, executors, trustees in bankruptcy, administrators and other legal representatives, successors and assigns;
- (c) all releases contained in Section 10.1 of the Plan shall become effective;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Participating CCAA Parties all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

## **12.2 Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Amended Claims Procedure Order.

## **12.3 Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

## **12.4 Non-Consummation**

The Participating CCAA Parties reserve the right to revoke or withdraw the Plan at any time prior to the Plan Implementation Date with the consent of the Monitor and the Parent. If (i) the Participating CCAA Parties revoke or withdraw the Plan in accordance with the foregoing, (ii) the condition under Section 11.3(c) is not satisfied or waived by the date set out therein or at such later date as agreed to by the Participating CCAA Parties, the Parent and the Monitor, or (iii) the Plan Implementation Date does not occur before July 31, 2018 or such later date as agreed to by the Participating CCAA Parties, the Parent and the Monitor: (a) the Plan (including all steps taken thereunder) shall be null and void in all respects except that the Monitor shall return the Non-Filed Affiliate Cash Contribution to the Parent forthwith, (b) any settlement or compromise embodied in the Plan (including the Restructuring Term Sheet), or any document or agreement executed pursuant to or in connection with the Plan shall be deemed to be null and void; and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall:

- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against any of the CCAA Parties, the Parent, any of the other Non-Filed Affiliates or any other Person;
- (ii) prejudice in any manner the rights of the CCAA Parties, the Parent, any other Non-Filed Affiliate or any other Person in any further proceedings involving any of the CCAA Parties; or
- (iii) constitute an admission of any sort by any of the CCAA Parties, the Parent, any other Non-Filed Affiliate or any other Person.

## **12.5 Modifications of the Plan**

- (a) The Participating CCAA Parties, with the consent of the Parent and the Monitor, may at any time prior to and after the Meetings (and both prior to and subsequent to the obtaining of the Sanction Order), file a Plan Modification (i) pursuant to a Court Order, or (ii) where such Plan Modification concerns (A) a matter which is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order, or (B) cure any errors, omissions or ambiguities, and in either case of foregoing clause (A) and (B), is not materially adverse to the financial or economic interests of the Affected Creditors.

- (b) Any amendment, restatement, modification or supplement to the Plan shall be subject to the notice requirements as set out in the Amended and Restated Meetings Order.

## **12.6 Paramountcy**

From and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of the Restructuring Term Sheet or any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the Participating CCAA Parties, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Participating CCAA Parties as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

## **12.7 Responsibilities of the Monitor**

FTI is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the CCAA Parties and not in its personal or corporate capacity. The Monitor will not be responsible or liable in its personal or corporate capacity for carrying out its obligations under the Plan or the Sanction Order nor will the Monitor be responsible for any obligations of the Participating CCAA Parties whatsoever. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Sanction Order and any other Court Order made in the CCAA Proceedings.

## **12.8 Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by a Person in writing or unless its Claims overlap or are otherwise duplicative.

## **12.9 Notices**

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, or by email addressed to the respective parties as follows:

(a) If to the Participating CCAA Parties:

c/o Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000, Commerce Court West  
Toronto ON M5L 1A9  
Canada

Attention: Clifford T. Smith, Officer  
Email: [clifford.smith@CliffsNR.com](mailto:clifford.smith@CliffsNR.com)

with a copy to:

Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000, Commerce Court West  
Toronto ON M5L 1A9  
Canada

Attention: Milly Chow  
Email: [milly.chow@blakes.com](mailto:milly.chow@blakes.com)

with a copy to:

FTI Consulting Canada Inc.  
79 Wellington Street West  
TD Waterhouse Tower, Suite 2010  
PO Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin  
Email: [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com)

(b) If to the Parent:

Cleveland-Cliffs Inc.  
200 Public Square  
Suite 3300  
Cleveland, Ohio 44114-2315

Attention: James Graham, Executive Vice President, Chief Legal Officer &  
Secretary  
Email: [james.graham@clevelandcliffs.com](mailto:james.graham@clevelandcliffs.com)

with a copy to:

Thornton Grout Finnigan LLP  
100 Wellington Street West, Suite 3200, Toronto Dominion Centre  
Toronto ON M5K 1K7  
Canada

Attention: Grant Moffat  
Email: [gmoﬀat@tgf.ca](mailto:gmoﬀat@tgf.ca)

with a copy to:

FTI Consulting Canada Inc.  
79 Wellington Street West  
TD Waterhouse Tower, Suite 2010  
PO Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin  
Email: [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com)

(c) If to the Monitor:

FTI Consulting Canada Inc.  
79 Wellington Street West  
TD Waterhouse Tower, Suite 2010  
PO Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin  
Email: [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com)

with a copy to:

Norton Rose Fulbright Canada LLP  
1 Place Ville Marie, Suite 2500  
Montréal, QC H3B 1R1  
Attention: Sylvain Rigaud & Evan Cobb  
Email: [sylvain.rigaud@nortonrosefulbright.com](mailto:sylvain.rigaud@nortonrosefulbright.com)  
[evan.cobb@nortonrosefulbright.com](mailto:evan.cobb@nortonrosefulbright.com)

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

### **12.10 Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 16th day of May, 2018.



## Schedule "A"

### Definitions

<del>"8568391" has the meaning ascribed thereto in Recital A;</del>		
<del>"Administration Charges" means, collectively, the BL Administration Charge and the Wabush Administration Charge in the aggregate amount of the BL Administration Charge and the Wabush Administration Charge, as such amount may be reduced from time to time by further Court Order;</del>		

**"Administrative Reserve"** means a Cash reserve from the Available Cash, in an amount to be adjusted from time to time as agreed by the Monitor and the Participating CCAA Parties, at least three (3) Business Days prior to a Distribution Date, to be reserved by the Monitor on an accounting basis, for the purpose of paying the Administrative Reserve Costs, from time to time. If no objection is received from the Participating CCAA Parties within three (3) Business Days following notification from the Monitor of the proposed Administrative Reserve amount, the Administrative Reserve amount proposed by the Monitor shall be deemed to be the agreed Administrative Reserve amount;

**"Administrative Reserve Costs"** means costs incurred and in respect of: (a) the Monitor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings; (b) any third party fees in connection with the administration of distributions, disbursements and payments under the Plan; (c) any fees and costs in connection with the dissolution under corporate law or otherwise of a CCAA Party or any of their subsidiaries, including without limitation, 8568391 (which fees and costs in the case of 8568391 shall be allocated to CQIM), BLRC (which fees and costs shall be ~~deducted from its Available Cash~~allocated to CQIM), and Wabush Railway (which fees and costs shall be allocated to the Wabush Mines Parties); (d) Post-Filing Trade Payables; (e) fees and disbursements of the Participating CCAA Parties' legal counsel, consultants and other advisors; (f) the fees and disbursements of Salaried Members Representative Counsel as approved by Court Order; (g) the fees and disbursements of any Claims Officer appointed under the Amended Claims Procedure Order; (h) Unaffected Claims which are Proven Claims, to the extent not already paid; and (i) ordinary course costs expected to be incurred after the previous Plan Distribution Date; and (j) any other reasonable amounts in respect of any determinable contingency as the Monitor may determine in consultation with the Participating CCAA Parties. All fees and costs incurred in respect of Quinto shall be allocated to CQIM;

**"Affected Claim"** means any Claim other than an Unaffected Claim;

**"Affected Creditor"** means any Creditor holding an Affected Claim, including a Non-Filed Affiliate holding an Affected Claim and a CCAA Party holding an Affected Claim;

**"Affected General Unsecured Claim"** means an Affected Unsecured Claim, including without limitation, any Deficiency Claims, other than a Pension Claim;

**“Affected General Unsecured Creditor”** means any Affected Unsecured Creditor holding an Affected General Unsecured Claim, including a Non-Filed Affiliate and a CCAA Party holding an Affected General Unsecured Claim;

**“Affected Third Party General Unsecured Claim”** means an Affected Third Party Unsecured Claim other than a Pension Claim;

**“Affected Third Party General Unsecured Creditor”** means a Creditor holding an Affected Third Party General Unsecured Claim;

**“Affected Third Party Unsecured Claim”** means an Affected Unsecured Claim held by an Affected Third Party Unsecured Creditor;

**“Affected Third Party Unsecured Creditor”** means an Affected Third Party General Unsecured Creditor or the Pension Plan Administrator in respect of the Pension Claims;

**“Affected Unsecured Claim”** means an Unsecured Claim that is an Affected Claim;

**“Affected Unsecured Creditor”** means the Pension Plan Administrator in respect of the Pension Claims or an Affected General Unsecured Creditor;

**“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct control or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through ownership of voting securities, by contract or otherwise, and the term **“controlled”** shall have a similar meaning;

**“Allocated Value”** means, in respect of any particular asset of a Participating CCAA Party, the amount of the sale proceeds realized from such asset, net of costs allocated to such asset all pursuant to the Allocation Methodology and, in respect of any Secured Claim, the amount of such sale proceeds receivable on account of such Secured Claim after taking into account the priority of such Secured Claims relative to other creditors holding a Lien in such asset;

**“Allocation Methodology”** has the meaning given thereto in Recital D;

**“Allowed Claim”** shall have the meaning given to it in the Amended Claims Procedure Order;

**“Amended and Restated Meetings Order”** means the Court Order to be made which, among other things, amends and restates the Original Meetings Order and sets the time, date and location of the Meetings and establishes meeting procedures for the Meetings, as such Court Order may be further amended, restated, supplemented or varied from time to time by subsequent Court Order;

**“Amended Claims Procedure Order”** means the Amended Claims Procedure Order dated November 16, 2015, approving and implementing the claims procedure in respect of the CCAA Parties and the Directors and Officers (including all schedules and appendices thereof);

“**Applicable Law**” means any law (including any principle of civil law, common law or equity), statute, order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

“**Arnaud**” has the meaning ascribed thereto in Recital B;

“**Arnaud Pension Cash Pool**” means the Cash pool available under the Plan to satisfy Proven Pension Claims against Arnaud, in the total amount of Cdn.\$18 million;

“**Arnaud Pension Pool Contribution**” has the meaning ascribed thereto in Section 7.1(h);

“**Available Cash**” means all Cash of the Participating CCAA Parties as at the Plan Implementation Date, including but not limited to the Participating CCAA Parties’ Cash on hand, and all Cash that is received by any of the Participating CCAA Parties following the Plan Implementation Date, whether from the sale, disposition or monetization of any remaining assets, receipt of any Tax Refund or any other Cash received by the Participating CCAA Parties from time to time, in all cases as determined in accordance with the Allocation Methodology, less the amount of the Reserves established pursuant to the Plan and the amount of any Plan Distributions, payments on account of Proven Unaffected Claims, or payments made pursuant to or as contemplated by the Plan, to be allocated to each Participating CCAA Party in accordance with the Allocation Methodology;

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

“**BL Administration Charge**” means the charge over the BL Property created by paragraph 45 of the Bloom Lake Initial Order and having the priority provided in paragraphs 46 and 47 of such Court Order in the amount of Cdn.\$2.5 million, as such amount may be reduced from time to time by further Court Order;

“**BL Directors’ Charge**” means the charge over the BL Property of the BL Parties created by paragraph 31 of the Bloom Lake Initial Order, and having the priority provided in paragraphs 46 and 47 of such Order in the amount of Cdn.\$2.5 million, as such amount may be reduced from time to time by further Court Order;

“**BLGP**” has the meaning ascribed thereto in Recital A;

“**BLLP**” has the meaning ascribed thereto in Recital A;

“**Bloom Lake CCAA Parties**” has the meaning ascribed thereto in Recital A;

“**BL Parties**” has the meaning ascribed thereto in Section 3.1(b);

“**BL Property**” means all current and future assets, rights, undertakings and properties of the Bloom Lake CCAA Parties, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

“**BLRC**” has the meaning ascribed thereto in Recital A;

**“BL Sale Advisor Charge”** means the charge over the BL Property, granted in favour of Moelis & Company LLC (in its capacity as Sale Advisor) pursuant to the BL Sale Advisor Court Order;

**“BL Sale Advisor Court Order”** means the Court Order dated April 17, 2015, *inter alia*, authorizing the engagement of a sale advisor, as such order may be amended, restated, supplemented, modified or rectified from time to time;

**“BL/Wabush Released Party”** has the meaning ascribed thereto in Section 10.1(a);

**“Business”** means the direct and indirect operations and activities formerly carried on by the CCAA Parties;

**“Business Day”** means a day, other than a Saturday, a Sunday, or a non-judicial day) as defined in article 6 of the Code of Civil Procedure, R.S.Q., c. C-25, as amended);

**“Cash”** means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents;

**“CCAA”** has the meaning ascribed thereto in Recital A;

**“CCAA Charges”** means the Administration Charge and the Directors’ Charge;

**“CCAA Parties”** has the meaning ascribed thereto in Recital B, and **“CCAA Party”** means any one of the CCAA Parties;

**“CCAA Party Distributions”** means, in respect of an Unsecured Creditor Class, the aggregate amount of distributions on account of the CCAA Party Pre-Filing Interco Claims from the applicable Unsecured Creditor Cash Pool, calculated as the applicable Unsecured Creditor Cash Pool (having been reduced by the Non-Filed Affiliate Plan Distributions from such pool and any amounts withheld and remitted pursuant to Section 7.2(b)) plus, in the case of CQIM, the Non-Filed Affiliate Distribution/Payment Contribution, multiplied by the amount of CCAA Party Pre-Filing Interco Claims against such Unsecured Creditor Cash Pool divided by the aggregate of all Affected Third Party General Unsecured Claims and CCAA Party Pre-Filing Interco Claims payable from such Unsecured Creditor Cash Pool;

**“CCAA Party Distributions Pro Rata Share”** means, in respect of a Participating CCAA Party holding a CCAA Party Pre-Filing Interco Claim, the fraction that is equal to (a) the CCAA Party Pre-Filing Interco Claim in respect of such Participating CCAA Party, divided by (b) the aggregate CCAA Party Pre-Filing Interco Claims held by Participating CCAA Parties in respect of such Participating CCAA Party;

**“CCAA Party Pre-Filing Interco Claims”** means Claims of the Participating CCAA Parties against other Participating CCAA Parties as set out in Schedule “D” to the Plan;

**“CCAA Proceedings”** has the meaning ascribed thereto in Recital A;

**“Claim”** means:

- (a) any right or claim of any Person that may be asserted or made in whole or in part against the Participating CCAA Parties (or any of them) or, in the case of Section 10.1(a), the CCAA Parties (or any of them), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the applicable Filing Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract, lease or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any breach of extra-contractual obligation, any right of ownership of or title to property, employment, contract or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Participating CCAA Parties (or in the case of Section 10.1(a), any of the CCAA Parties, or any of their property or assets, and whether or not any such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmetered, disputed, legal, equitable, secured (by guarantee, surety or otherwise), unsecured, present, future, known or unknown, and whether or not any such right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable under the BIA had the Participating CCAA Parties (or any one of them), or in the case of Section 10.1(a), the CCAA Parties (or any of them), become bankrupt on the applicable Filing Date, including, for greater certainty, any Tax Claim and any monetary claim in connection with any indebtedness, liability or obligation by reason of a breach of a collective bargaining agreement, including grievances in relation thereto, or by reason of a breach of a legal or statutory duty under any employment legislation or pay equity legislation;
- (b) a D&O Claim; and
- (c) a Restructuring Claim,

provided, however, that Excluded Claims are not Claims, but for greater certainty, a Claim includes any claim arising through subrogation or assignment against any Participating CCAA Party or Director or Officer;

**“Claims Bar Date”** means as provided for in the Amended Claims Procedure Order: (a) in respect of a Claim or D&O Claim, 5:00 p.m. on December 18, 2015, or such other date as may be ordered by the Court; and (b) in respect of a Restructuring Claim, the later of (i) 5:00 p.m. on December 18, 2015 (ii) 5:00 p.m. on the day that is 21 days after either (A) the date that the applicable Notice of Disclaimer or Resiliation becomes effective, (B) the Court Order settling a contestation against such Notice of Disclaimer or Resiliation brought pursuant to section 32(5)(b) CCAA, or (C) the date of the event giving rise to the Restructuring Claim; or (iii) such other date as may be ordered by the Court;

**“Claims Officer”** means the individual or individuals appointed by the Monitor pursuant to the Amended Claims Procedure Order;

**“CMC Secured Claims”** has the meaning ascribed thereto in the Thirty-Ninth Report dated September 11, 2017 of the Monitor;

**“CNR Key Bank Claims”** has the meaning ascribed thereto in the Thirty-Ninth Report dated September 11, 2017 of the Monitor;

**“Conditions Certificates”** has the meaning ascribed thereto in Section 11.3;

**“Construction Lien Claim”** means a Claim asserting a Lien over real property of a Participating CCAA Party in respect of goods or services provided to such Participating CCAA Party that improved such real property;

**“Court”** means the Québec Superior Court of Justice (Commercial Division) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

**“Court Order”** means any order of the Court;

**“CQIM”** has the meaning ascribed thereto in Recital A;

**“CQIM/Quinto Parties”** has the meaning ascribed thereto in Section 3.1(a);

**“CQIM Unsecured Creditor Cash Pool”** means the Unsecured Creditor Cash Pool as allocated to CQIM from time to time for distributions to Affected Unsecured Creditors of CQIM with Proven Affected Unsecured Claims in accordance with the Plan, prior to any Unsecured Creditor Cash Pool Adjustments.;

**“Creditor”** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Amended Claims Procedure Order, the Plan and the Amended and Restated Meetings Order, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

**“D&O Bar Date”** means 5:00 p.m. (prevailing Eastern Time) on December 18, 2015, or such other date as may be ordered by the Court;

**“D&O Claim”** means any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising on or before the D&O Bar Date, for which the Directors and/or Officers, or any of them, are by statute liable to pay in their capacity as Directors and/or Officers or which are secured by way of any one of the Directors’ Charges;

**“D&O Independent Counsel”** means Lax O’Sullivan Lisus Gottlieb LLP, in its capacity as independent counsel for the Directors and Officers, or any replacement thereof;

**“Deficiency Claim”** means, in respect of a Secured Creditor holding a Proven Secured Claim, the amount by which such Secured Claim exceeds the Allocated Value of the Property secured by its Lien, and for greater certainty, includes, as applicable, the deficiency Claim, if any, of the Non-Filed Affiliate Secured Interco Claims;

**‘Detrimental Tax Filing’** shall have the meaning ascribed thereto in Section 9.2(b);

**‘Director’** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Participating CCAA Parties, in such capacity;

**‘Directors’ Charges’** means, collectively, the BL Directors’ Charge and the Wabush Directors’ Charge;

**‘Directors’ Charge Reserve’** means to the extent any Directors and Officers remain after the Plan Implementation Date, a reserve established by the Monitor from Available Cash on the Plan Implementation Date for any indemnity claims of Directors and Officers of the Participating CCAA Parties that would be secured by the Directors’ Charges, in an amount to be agreed between the Monitor and D&O Independent Counsel or as otherwise determined by the Court if an amount cannot be agreed, which amount shall not exceed the aggregate amount of the Directors Charges;

**‘Distribution Date’** means the date of any Plan Distribution made by the Monitor, on behalf of a Participating CCAA Party;

**‘Duplicate Claim’** means a Proven Affected Unsecured Claim against more than one of the Participating CCAA Parties based on the same underlying data or obligation;

**‘Effective Time’** means 12:01 a.m. on the Plan Implementation Date or such other time on the Plan Implementation Date as the Participating CCAA Parties, the Parent and the Monitor shall determine or as otherwise ordered by the Court;

**‘Eligible Voting Claims’** means a Voting Claim or an Unresolved Voting Claim;

**‘Eligible Voting Creditors’** means, subject to Section 4.2(b), Affected Unsecured Creditors holding Voting Claims or Unresolved Voting Claims;

**‘Employee’** means a former employee of a Participating CCAA Party other than a Director or Officer;

**‘Employee Priority Claims’** means, in respect of a Participating CCAA Party, the following claims of Employees of such Participating CCAA Party:

- (a) claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Participating CCAA Party had become bankrupt on the Plan Sanction Date, which for greater certainty, excludes any OPEB, pension contribution, and termination and severance entitlements;
- (b) claims for wages, salaries, commissions or compensation for services rendered by such Employees after the applicable Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period, which for greater certainty, excludes any OPEB, pension contribution, and termination and severance entitlements; and

- (c) any amounts in excess of (a) and (b), that the Employees may have been entitled to receive pursuant to the *Wage Earner Protection Program Act* (Canada) if such Participating CCAA Party had become a bankrupt on the Plan Sanction Date, which for greater certainty, excludes OPEB and pension contributions;

**“Encumbrance”** means any Lien, pledge, claim, restriction, security agreement, hypothecation, assignment, deposit arrangement, lease, rights of others including without limitation, Transfer Restrictions, deed of trust, trust, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Law, including without limiting the generality of the foregoing, the CCAA Charges;

**“Equity Claim”** has the meaning ascribed thereto in section 2 of the CCAA;

**“Equity Interest”** has the meaning ascribed thereto in section 2 of the CCAA;

**“Excluded Claim”** means, subject to further Court Order, any right or claim of any Person that may be asserted or made in whole or in part against the Participating CCAA Parties (or any one of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the applicable Filing Date (other than Restructuring Claims and D&O Claims), and any interest thereon, including any obligation of the Participating CCAA Parties toward creditors who have supplied or shall supply services, utilities, goods or materials, or who have or shall have advanced funds to the Participating CCAA Parties on or after the applicable Filing Date, but only to the extent of their claims in respect of the supply or advance of such services, utilities, goods, materials or funds on or after the applicable Filing Date, and:

- (a) any claim secured by any CCAA Charge;
- (b) any claim with respect to fees and disbursements incurred by counsel for any CCAA Party, Director, the Monitor, Claims Officer, any financial advisor retained by any of the foregoing, or Representatives’ Counsel as approved by the Court to the extent required;

**“Fermont Allocation Appeal”** means the appeal by Ville de Fermont of the judgment of the Court in CCAA Proceedings approving the Allocation Methodology dated July 25, 2017 under Court File Number 500 09 027026 178, such appeal dismissed by the judgment of the Québec Court of Appeal dated April 9, 2018;

**“Filing Date”** means January 27, 2015 for the Bloom Lake CCAA Parties, and May 20, 2015 for the Wabush CCAA Parties;



**‘Final Determination’** and **‘Finally Determined’** as pertains to a Claim, matter or issue, means either:

- (a) in respect of a Claim, such Claim has been finally determined as provided for in the Amended Claims Procedure Order;
- (b) there has been a Final Order in respect of the matter or issue; or
- (c) there has been an agreed settlement of the issue or matter by the relevant parties, which settlement has been approved by a Final Order, as may be required, or as determined by the Monitor, in consultation with the Participating CCAA Parties, to be approved by the Court;

**‘Final Distribution’** means the final Plan Distribution made under the Plan by the Monitor, on behalf of the Participating CCAA Parties;

**‘Final Distribution Date’** means the date on which the Final Distribution is made by the Monitor, on behalf of the Participating CCAA Parties;

**‘Final Order’** means a Court Order, which has not been reversed, modified or vacated, and is not subject to any stay or appeal, and for which any and all applicable appeal periods have expired;

**‘FTI’** means FTI Consulting Canada Inc.;

**‘Governmental Authority’** means any government, including any federal, provincial, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

**‘Government Priority Claims’** means all claims of Governmental Authorities that are described in section 6(3) of the CCAA;

**‘Guarantee’** means any guarantee, indemnity, surety or similar agreement granted by a Person to guarantee, indemnify or otherwise hold harmless any Person from or against any losses, liabilities or damages of that Person;

**‘Hourly Pension Plan’** means the defined benefit plan known as the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company Limited (Canada Revenue Agency registration number 0555201);

**‘Initial Order’** means, collectively, in respect of the Bloom Lake CCAA Parties, the Bloom Lake Initial Order, and in respect of the Wabush CCAA Parties, the Wabush Initial Order;

**‘Interim Distribution Date’** means the date as soon as reasonably practicable after the Plan Implementation Date;

**‘Interim Lender Charge’** has the meaning given to it in the Wabush Initial Order;

**“Irrevocable Payment Direction”** means an irrevocable direction delivered to the Monitor and the Participating CCAA Parties by (a) the Parent and the applicable Non-Filed Affiliates respecting (i) the payment of the Non-Filed Affiliate Secured Payments to the applicable Non-Filed Affiliates, (ii) the distribution of the Non-Filed Affiliate Plan Distributions to the applicable Non-Filed Affiliates, (iii) the contribution by the applicable Non-Filed Affiliates of the Non-Filed Affiliate Distribution/Payment Contribution to the CQIM Unsecured Creditor Cash Pool, and (iv) the contribution of the Non-Filed Affiliate Distribution Pension Contribution to the Pension Cash Pools by the applicable Non-Filed Affiliates, and (b) the Parent and, as applicable, certain other Non-Filed Affiliates, in respect of its/their Non-Filed Affiliate Cash Contribution to the Pension Cash Pools, in the case of clause (a) and (b) above, each in accordance with the Plan and directly or indirectly through one or more Non-Filed Affiliates and/or Participating CCAA Parties as may be specified in such direction;

**“Liability”** means any indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

**“Lien”** means any lien, mortgage, charge, security interest, hypothec or deemed trust, arising pursuant to contract, statute or Applicable Law;

**“Meetings”** means the meetings of Affected Unsecured Creditors in the Unsecured Creditor Classes in respect of each Participating CCAA Party called for the purposes of considering and voting in respect of the Plan, which has been set by the Amended and Restated Meetings Order to take place at the times, dates and locations as set out in the Amended and Restated Meetings Order;

**“Monitor”** has the meaning ascribed thereto in Recital C;

**“Monitor’s Counsel”** means Norton Rose Fulbright Canada LLP, in its capacity as legal counsel to the Monitor;

**“Newfoundland Reference Appeal”** means the appeal of the Newfoundland Reference Decision;

**“Newfoundland Reference Decision”** means the decision of the Newfoundland Court of Appeal dated January 15, 2018 in the Newfoundland Reference Proceedings;

**“Newfoundland Reference Proceedings”** means the reference proceeding commenced in the Newfoundland Court of Appeal in respect of the Pension Claims as Docket No. 201701H0029, as appealed to the Supreme Court of Canada, with regards to the interpretation of the *Pension Benefits Act* (Newfoundland and Labrador) and the applicable pension legislation to members and beneficiaries of the Wabush Pension Plans;

**“Non-Filed Affiliates”** means the Parent, its former and current direct and indirect subsidiaries and its current and former Affiliates who are not petitioners or mises-en-cause in the CCAA Proceedings, and for greater certainty does not include any CCAA Party but does include any subsidiary of a CCAA Party;

**“Non-Filed Affiliate Cash Contribution”** has the meaning ascribed thereto in Section 2.4(c);

**“Non-Filed Affiliate Distribution/Payment Contribution”** has the meaning ascribed thereto in Section 2.4(a);

**“Non-Filed Affiliate Distribution Pension Contribution”** has the meaning ascribed thereto in Section 7.1(d);

**“Non-Filed Affiliate Employee Actions”** means the following actions commenced in the Newfoundland and Labrador Supreme Court Trial Division (General) against the Non-Filed Affiliate Employee Defendants under the *Class Actions Act*, S.N.L. 2001, c.c-81: (a) Neil Johnson et al. v. Cliffs Mining Company et al., Court File No. 201701G 4037CP; and (b) Jim Skinner and Brian Gaulton under Court File No. 201701G4310CP;

**“Non-Filed Affiliate Employee Claims”** means the claims as asserted against the Non-Filed Affiliate Employee Defendants in the Non-Filed Affiliate Employee Actions;

**“Non-Filed Affiliate Employee Defendants”** mean the defendants to the Non-Filed Affiliate Employee Actions as there were on March 19, 2018;

**“Non-Filed Affiliate Interco Claims”** means, collectively, the Non-Filed Affiliate Unsecured Interco Claims and the Non-Filed Affiliate Secured Interco Claims;

**“Non-Filed Affiliate Plan Distributions”** has the meaning ascribed thereto in Section 7.1(b);

**“Non-Filed Affiliate Pro Rata Share”** means, in the case of a Non-Filed Affiliate with a Non-Filed Affiliate Unsecured Interco Claim, the fraction that is equal to (a) the amount of the Proven Affected Unsecured Claim of such Non-Filed Affiliate against a Participating CCAA Party, divided by (b) the aggregate amount of all Proven Affected Unsecured Claims against such applicable Participating CCAA Party held by all Affected Unsecured Creditors less the aggregate amount of the Proven Pension Claims against such applicable Participating CCAA Party;

**“Non-Filed Affiliate Released Party”** has the meaning ascribed thereto in Section 10.1(c) and includes, for greater certainty, each of the Non-Filed Affiliate Employee Defendants;

**“Non-Filed Affiliate Secured Interco Claims”** means, collectively, (a) the CNR Key Bank Claims and (b) the CMC Secured Claims, in each case only to the extent of the Allocated Value of the Property securing such Claims as set out in the Schedule “C” to the Plan and to the extent not a Deficiency Claim;

**“Non-Filed Affiliate Secured Payment”** shall have the meaning ascribed thereto in Section 5.4, and **“Non-Filed Affiliate Secured Payments”** means the aggregate of all of them;

**“Non-Filed Affiliate Transactions Claims”** means, collectively, any claims that may exist against the Non-Filed Affiliates, including without limitation, in respect of the following matters as identified by the Monitor in Twelfth Report of the Monitor dated October 27, 2015 and the Nineteenth Report of the Monitor dated April 13, 2016:

- (a) a series of reorganization transactions entered into between certain of the Participating CCAA Parties and certain Non-Filed Affiliates in December 2014 involving a Cash payment of US\$142 million by CQIM and a transfer of the Australian subsidiaries of CQIM; and
- (b) certain other payments made by the Participating CCAA Parties to certain Non-Filed Affiliates during the statutory review period provided under sections 95 and 96 of the BIA and section 36.1 of the CCAA on account of debts owing to those Non-Filed Affiliates in an aggregate amount of approximately US\$30.6 million;

**“Non-Filed Affiliate Unsecured Interco Claims”** means all Claims filed in the CCAA Proceedings by a Non-Filed Affiliate determined in accordance with the Plan (other than Non-Filed Affiliate Secured Claims) as set out in the Schedule “B” to the Plan, and for greater certainty, includes any Deficiency Claims held by a Non-Filed Affiliate;

**“Non-Released Claim”** means, collectively: (a) Participating CCAA Parties’ obligations under the Plan (including the right of Affected Unsecured Creditors to receive distributions pursuant to the Plan and in respect of Proven Affected Unsecured Claims), (b) any claim against a Released Party if the Released Party is determined by a Final Order of a court of competent jurisdiction to have committed fraud or wilful misconduct; (c) solely as against a Director in his or her capacity as such, any D&O Claim that is not permitted to be released pursuant to section 5.1 (2) of the CCAA; (d) any Unaffected Claims as against the BL/Wabush Released Parties; and (e) any obligation secured by any of the CCAA Charges;

**“Notice of Disclaimer or Resiliation”** means a written notice issued, either pursuant to the provisions of an agreement, under section 32 of the CCAA or otherwise, on or after the applicable Filing Date of the Participating CCAA Parties, and copied to the Monitor, advising a Person of the restructuring, disclaimer, resiliation, suspension or termination of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, suspension or termination took place or takes place before or after the date of the Amended Claims Procedure Order;

**“Notice of Transfer or Assignment”** means a written notice of transfer or assignment of a Claim, together with satisfactory evidence of such transfer or assignment in accordance with the Amended Claims Procedure Order and the Amended and Restated Meetings Order;

**“Officer”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Participating CCAA Parties;

**“OPEB Claim”** means a post-retirement employee benefit obligation, other than the Pension Claim;

**“OPEB/Other Employee Claims Settlements”** means the Salaried OPEB/Other Employee Claims Settlement and the USW OPEB/Other Employee Claims Settlement;

**“Original Meetings Order”** has the meaning ascribed thereto in Recital I;

**“Original Plan”** has the meaning ascribed thereto in Recital I;

**“Other Employee Claim”** means, in respect of a Participating CCAA Party, any claim of an Employee against such Participating CCAA Party, that is not an OPEB Claim or a Pension Claim;

**“Parent”** has the meaning ascribed thereto in Recital H;

**“Participating CCAA Parties”** has the meaning ascribed thereto in Recital K, and

**“Participating CCAA Party”** means any of the Participating CCAA Parties;

**“Pay Equity Priority Claim”** means the claim in the amount of \$57.67 in favour of Ms. Lucie Levesque arising from the proceedings before the Administrative Labour Tribunal (TAT: CM-2015-5555) and the Pay Equity Commission (CES: CES-305.5-1-12717);

**“Payee Party”** has the meaning ascribed thereto in Section 7.3;

**“Payment Amount”** has the meaning ascribed thereto in Section 7.3;

**“Payor Party”** has the meaning ascribed thereto in Section 7.3;

**“Pension Cash Pools”** means, collectively, the Arnaud Pension Cash Pool and the Wabush Pension Cash Pool, and a **“Pension Cash Pool”** means either the Arnaud Pension Cash Pool or the Wabush Pension Cash Pool;

**“Pension Claim Settlements”** means (a) settlement between the CCAA Parties, Monitor and the Pension Plan Administrator pursuant to which the Pension Claims will be Allowed Claims for the purposes of the Plan as Affected Unsecured Claims, in the amounts and subject to the exceptions as agreed to by the parties, and (b) the settlement between the Pension Priority Parties to discontinue the Pension Priority Appeal and the Newfoundland Reference Appeal upon implementation of the Plan;

**“Pension Claims”** means Claims with respect to the administration, funding or termination of the Wabush Pension Plans, including any Claim for unpaid normal cost payments, or special/amortization payments or any wind up deficiency, and **“Pension Claim”** means any one of them;

**“Pension Plan Administrator”** means Morneau Shepell Ltd., the Plan Administrator of the Wabush Pension Plans, or any replacement thereof;

**“Pension Pool Cash Contributions”** has the meaning ascribed thereto in Section 7.1(h);

**“Pension Priority Appeal”** means the appeal of the Pension Priority Decision;

**“Pension Priority Decision”** means the decision of Mr. Justice Hamilton dated September 11, 2017;

**“Pension Priority Parties”** means the Monitor, the Salaried Members Representative Counsel, USW Counsel, Ville de Sept-Iles, Retraite Québec, the Superintendent of Pensions for Newfoundland, and the Office of the Superintendent of Financial Institutions;

**“Pension Priority Proceedings”** means (a) the Québec Pension Proceedings, and (b) the Newfoundland Reference Proceedings;

**“Person”** means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;

**“Plan”** means this joint plan of compromise and arrangement under the CCAA, including the Schedules hereto, as amended, supplemented or replaced from time to time;

**“Plan Distributions”** means, from time to time, distributions made under this Plan to Affected Unsecured Creditors in accordance with ARTICLE 7;

**“Plan Implementation Date”** means the Business Day on which all of the conditions precedent to the implementation of the Plan have been fulfilled, or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor’s Plan Implementation Date Certificate to be filed with the Court;

**“Plan Implementation Date Certificate”** means the certificate substantially in the form to be attached to the Sanction Order to be filed by the Monitor with the Court, declaring that all of the conditions precedent to implementation of the Plan have been satisfied or waived;

**“Plan Modification”** shall have the meaning ascribed thereto in the Amended and Restated Meetings Order;

**“Plan Sanction Date”** means the date that the Sanction Order issued by the Court;

**“Plan Sponsors”** means the Parent and all other Non-Filed Affiliates;

**“Post-Filing Trade Payables”** means post-Filing Date trade payables (excluding for greater certainty any Tax Claims) that were incurred by the Participating CCAA Parties: (a) in respect of goods or services provided to the Participating CCAA Parties after the applicable Filing Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Court Orders issued in connection with the CCAA Proceedings;

**“Principal Claim”** has the meaning ascribed thereto in Section 4.5;

**“Priority Claims”** means, collectively, the (a) Employee Priority Claim; and (b) Government Priority Claims;

**“Proof of Claim”** means the proof of claim form that was required to be completed by a Creditor setting forth its applicable Claim and filed by the Claims Bar Date, pursuant to the Amended Claims Procedure Order;

**“Property”** means, collectively, the BL Property and the Wabush Property;

**“Proven Affected Third Party General Unsecured Claim”** means an Affected Third Party General Unsecured Claim that is a Proven Claim;

**“Proven Affected Unsecured Claim”** means an Affected Unsecured Claim that is a Proven Claim;

**“Proven Claim”** means (a) a Claim of a Creditor, Finally Determined as an Allowed Claim for voting, distribution and payment purposes under the Plan, (b) in the case of the Participating CCAA Parties in respect of their CCAA Party Pre-Filing Interco Claims, and in the case of the Non-Filed Affiliates in respect of their Non-Filed Affiliate Unsecured Interco Claims and Non-Filed Affiliate Secured Interco Claims, as such Claims are declared, solely for the purposes of the Plan, to be Proven Claims pursuant to and in the amounts set out in the Amended and Restated Meetings Order, and (c) in the case of Employee Priority Claims and Government Priority Claims, as Finally Determined to be a valid post-Filing Date claim against a Participating CCAA Party;

**“Proven Government Priority Claim”** means a Government Priority Claim that is a Proven Claim;

**“Proven Pension Claim”** means a Pension Claim that is a Proven Claim;

**“Proven Priority Claim”** means a Priority Claim that is a Proven Claim;

**“Proven Secured Claim”** means a Secured Claim that is a Proven Claim;

**“Proven Third Party Secured Claim”** means a Third Party Secured Claim that is a Proven Claim;

**“Québec Pension Proceedings”** means the motion for advice and directions of the Monitor dated September 20, 2016 in respect of priority arguments asserted pursuant to the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Standards Act* (Canada) and the *Supplemental Pension Plans Act* (Québec) in connection with the claims arising from any failure of the Wabush CCAA Parties to make certain normal course payments or special payments under the Wabush Pension Plans and for the wind-up deficit under the Wabush Pension Plans currently subject to an appeal of the Pension Priority Decision;

**“Quinto”** has the meaning ascribed thereto in Recital A;

**“Quinto Unsecured Creditor Cash Pool”** means the Unsecured Creditor Cash Pool allocated to Quinto from time to time for distributions to Affected Unsecured Creditors of Quinto with Proven Affected Unsecured Claims in accordance with the Plan, prior to any Unsecured Creditor Cash Pool Adjustments;

**“Released Claim”** means the matters that are subject to release and discharge pursuant to ARTICLE 10 hereof;

**“Released Party”** means any Person who is the beneficiary of a release under the Plan, including the BL/Wabush Released Parties, the Third Party Released Parties and the Non-Filed Affiliate Released Parties;

**“Representative Court Order”** means the Court Order dated June 22, 2015, as such order may be amended, supplemented, restated or rectified from time to time;

**“Required Majority”** means, with respect to each Unsecured Creditor Class, a majority in number of Affected Unsecured Creditors who represent at least two-thirds in value of the Claims of Affected Unsecured Creditors who actually vote approving the Plan (in person, by proxy or by ballot) at the Meeting;

**“Reserves”** means, collectively, the Administrative Reserve, Unresolved Claims Reserve, Directors’ Charge Reserve, and any other reserve the Monitor, in consultation with the Participating CCAA Parties, considers necessary or appropriate, as each of them may be adjusted from time to time in accordance with the Plan;

**“Restructuring Claim”** means any right or claim of any Person against the Participating CCAA Parties (or any one of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Participating CCAA Parties (or any one of them) to such Person, arising out of the restructuring, disclaimer, rescission, termination or breach or suspension, on or after the applicable Filing Date, of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, rescission, termination or breach took place or takes place before or after the date of the Amended Claims Procedure Order, and, for greater certainty, includes any right or claim of an Employee of any of the Participating CCAA Parties arising from a termination of its employment after the applicable Filing Date, *provided, however*, that **“Restructuring Claim”** shall not include an Excluded Claim;

**“Restructuring Term Sheet”** has the meaning ascribed thereto in Recital H;

**“Salaried Members”** means, collectively, all salaried/non-USW Employees and retirees of the Wabush CCAA Parties or any person claiming an interest under or on behalf of such former employees or pensioners and surviving spouses, or group or class of them (excluding any individual who opted out of representation by the Salaried Members Representatives and Salaried Representative Counsel in accordance with the Representative Court Order, if any);

**“Salaried Members Representatives”** means Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson, in their capacity as Court-appointed representatives of all the Salaried Members of the Wabush CCAA Parties, the whole pursuant to and subject to the terms of the Representative Court Order;

**“Salaried Members Representative Counsel”** means Koskie Minsky LLP and Fishman Flanz Meland Paquin LLP, in their capacity as legal counsel to the Salaried Members Representatives, or any replacement thereof;

**“Salaried OPEB/Other Employee Claims Settlement”** means the settlement between the CCAA Parties and the Salaried Members Representatives pursuant to which (i) the OPEB Claims and the Other Employee Claims of the Salaried Members will be allowed as Proven Affected General Unsecured Claims by the Monitor for the purposes of the Plan, in the amounts and subject to the exceptions as agreed to by the CCAA Parties (with the consent of the Monitor) and the Salaried Members Representative, and (ii) the Salaried Members Representatives, on behalf of themselves and the Salaried Members, will acknowledge and agree that for the purposes of the Plan, no Salaried Member has an Employee Priority Claim;



**“Salaried Pension Plan”** means the defined benefit plan known as the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (Canada Revenue Agency registration number 0343558);

**“Sale Advisor Charge”** means, collectively, the BL Sale Advisor Charge and the Wabush Sale Advisor Charge;

**“Sanction Order”** means the Court Order to be sought by the Participating CCAA Parties from the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder, pursuant to section 6(1) of the CCAA, substantially in the form of Schedule “E” or otherwise in form and content acceptable to the Participating CCAA Parties, the Monitor and the Parent, in each case, acting reasonably;

**“Secured Claims”** means Claims held by “secured creditors” as defined in the CCAA, including Construction Lien Claims, to the extent of the Allocated Value of the Property securing such Claim, with the balance of the Claim being a Deficiency Claim, and amounts subject to section 6(6) of the CCAA;

**“Secured Creditors”** means Creditors holding Secured Claims;

**“Service List”** means the service list in the CCAA Proceedings;

**“Specified Payee Party”** has the meaning ascribed thereto in Section 7.3(b);

**“Tax”** and **“Taxes”** means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

**“Tax Claims”** means any Claim against the Participating CCAA Parties (or any one of them) for any Taxes in respect of any taxation year or period ending on or prior to the applicable Filing Date, and in any case where a taxation year or period commences on or prior to the applicable Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the applicable Filing Date and up to and including the applicable Filing Date. For greater certainty, a Tax Claim shall include, without limitation, (a) any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto, and (b) any Claims against any BL/Wabush Released Party in respect of such Taxes;

**“Tax Filing”** shall have the meaning ascribed thereto in Section 9.2(a);

**“Tax Refunds”** means refunds of any Cash paid by the Participating CCAA Parties on account of Taxes, refunded to such Participating CCAA Parties from time to time by the applicable Taxing Authorities;

**“Taxing Authorities”** means Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada (including Revenu Québec) and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

**“Third Party Claims”** means, collectively, Affected Third Party General Unsecured Claims and Third Party Secured Claims;

**“Third Party Pro Rata Share”** means, in respect of a distribution to an Affected Third Party General Unsecured Creditor with Proven Affected General Unsecured Claims in respect of a Participating CCAA Party, the fraction that is equal to (a) the amount of the Proven Affected Third Party General Unsecured Claim of such Affected Third Party General Unsecured Creditor, divided by (b) the aggregate of all Proven Affected Third Party General Unsecured Claims held by Affected Third Party General Unsecured Creditors, in each case in respect of such Participating CCAA Party;

**“Third Party Released Party”** has the meaning ascribed thereto in Section 10.1(b);

**“Third Party Secured Claims”** means Secured Claims held by Creditors other than the CCAA Parties or Non-Filed Affiliate Parties, and **“Third Party Secured Claim”** means any one of them;

**“Transfer Restrictions”** means any and all restrictions on the transfer of shares, limited partnership or other units or interests in real property including without limitation all rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sale provisions or similar rights of shareholders or lenders in respect of such interests;

**“Unaffected Claims”** means:

- (a) Excluded Claims;
- (b) Secured Claims provided; however, that the Non-Filed Affiliate Secured Payments will be included in the Non-Filed Affiliate Distribution/Payment Contribution;
- (c) amounts payable under sections 6(3), 6(5) and 6(6) of the CCAA;
- (d) Priority Claims; and
- (e) D&O Claims that are not permitted to be compromised under section 5.1(2) of the CCAA;

**“Unaffected Creditors”** means Creditors holding Unaffected Claims;

**“Uncashed Distribution”** has the meaning ascribed thereto in Section 7.5;

**“Unresolved Affected Unsecured Claim”** means an Affected Unsecured Claim that is an Unresolved Claim;

**“Unresolved Claim”** means a Claim, which at the relevant time, in whole or in part: (a) has not been Finally Determined to be a Proven Claim in accordance with the Amended Claims Procedure Order and this Plan; (b) is validly disputed in accordance with the Amended Claims Procedure Order; and/or (c) remains subject to review and for which a Notice of Allowance or Notice of Revision or Disallowance (each as defined in the Amended Claims Procedure Order) has not been issued to the Creditor in accordance with the Amended Claims Procedure Order as at the date of this Plan, in each of the foregoing clauses, including both as to proof and/or quantum;

**“Unresolved Claims Reserve”** means the aggregate of the reserves of Available Cash to be held in respect of each of the Participating CCAA Parties on an accounting basis, in an aggregate amount to be calculated by the Monitor on the Interim Distribution Date, and recalculated as at any subsequent Distribution Date, equal to the amount that would have been paid if the full amount of all Unresolved Claims in respect of each Participating CCAA Party are Proven Claims as at such date, or such lesser amount as may be ordered by the Court;

**“Unresolved Government Priority Claim”** means a Government Priority Claim that is an Unresolved Claim;

**“Unresolved Non-Filed Affiliate Secured Interco Claim”** means a Non-Filed Affiliate Secured Interco Claim that is an Unresolved Claim;

**“Unresolved Non-Filed Affiliate Unsecured Interco Claim”** means a Non-Filed Affiliate Unsecured Interco Claim that is an Unresolved Claim;

**“Unresolved Secured Claim”** means a Secured Claim that is an Unresolved Claim;

**“Unresolved Third Party Claim”** means a Third Party Claim that is an Unresolved Claim;

**“Unresolved Third Party Unsecured Claim”** means an Affected Third Party Unsecured Claim that is an Unresolved Claim;

**“Unresolved Voting Claim”** means the amount of the Unresolved Affected Unsecured Claim of an Affected Unsecured Creditor as determined in accordance with the terms of the Amended Claims Procedure Order entitling such Affected Unsecured Creditor to vote at the applicable Meeting in accordance with the provisions of the Amended and Restated Meetings Order, the Plan and the CCAA;

**“Unsecured Claim”** means a Claim that is not secured by any Lien;

**“Unsecured Creditor Cash Pool”** means in respect of a Participating CCAA Party, the Available Cash of such Participating CCAA Party available for distribution to the Affected Unsecured Creditors of such Participating CCAA Party with Proven Affected General Unsecured Claims under the Plan, calculated on the Distribution Date immediately prior to the distribution of the Non-Filed Affiliates Plan Distributions pursuant to Section 7.1(b), prior to any Unsecured Creditor Cash Pool Adjustment, and for greater certainty does not include either of the Pension Cash Pools, and **“Unsecured Creditor Cash Pool”** means more than one Unsecured Creditor Cash Pools;

**“Unsecured Creditor Cash Pool Adjustments”** means, with respect to an Unsecured Creditor Cash Pool, the adjustments to such Unsecured Creditor Cash Pool as applied in the order set out in Sections 7.1(a) to 7.1(j);

**“Unsecured Creditor Class”** has the meaning ascribed thereto in Section 4.1;

**“USW”** means the United Steelworkers, Locals 6254, 6285, and 9996;

**“USW Counsel”** means Philion Leblanc Beuadry avocats, in their capacity as legal counsel to the USW;

**“USW Members”** means any Employee or retiree who is or was a member of the USW, including any successor of such Employees or retirees;

**“USW OPEB/Other Employee Claims Settlement”** the settlement between the CCAA Parties and the USW pursuant to which (i) the OPEB Claims and the Other Employee Claims of the USW Members will be allowed as Proven Affected General Unsecured Claims by the Monitor for the purposes of the Plan, in the amounts and subject to the exceptions as agreed to between the CCAA Parties (with the consent of the Monitor) and the USW, and (ii) the USW, on behalf of itself and the USW Members, will acknowledge and agree that for the purposes of the Plan, no USW Member has an Employee Priority Claim, subject only to the Pay Equity Priority Claim;

**“Valid Transferee”** means the transferee or assignee of a Claim that has provided the Monitor with a Notice of Transfer or Assignment by no later than seven (7) days’ prior to the Interim Distribution Date and has had such Claim transferred or assigned to it in accordance with the Claims Procedure Order and the Amended and Restated Meetings Order; subject in the case of Non-Filed Affiliates to Section 2.5;

**“Voting Claim”** means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor as Finally Determined in the manner set out in the Amended Claims Procedure Order entitling such Affected Unsecured Creditor to vote at the applicable Meeting in accordance with the provisions of the Amended and Restated Meetings Order, the Plan and the CCAA;

**“Wabush Administration Charge”** means the charge over the Wabush Property created by paragraph 45 of the Wabush Initial Order and having the priority provided in paragraphs 46 and 47 of such Order in the amount of Cdn.\$1.75 million, as such amount may be reduced from time to time by further Court Order;

**“Wabush/BLRC Claims”** means the claims of Wabush Resources and Wabush Iron in the amount of \$617,740.16 and \$226,513.17, respectively, against BLRC in respect of the transfer of certain real property to BLRC on or about September 19, 2014;

“**Wabush CCAA Parties**” has the meaning ascribed to it in Recital B;

“**Wabush Directors’ Charge**” means the charge over the Wabush Property created by paragraph 31 of the Wabush Initial Order, and having the priority provided in paragraphs 46 and 47 of such Court Order in the amount of Cdn.\$2 million, as such amount may be reduced from time to time by further Court Order;

“**Wabush Iron**” means has the meaning ascribed thereto in Recital B;

“**Wabush Mines Parties**” has the meaning ascribed thereto in Section 3.1(c);

“**Wabush Mines Pension Pool Contribution**” has the meaning ascribed thereto in Section 7.1(g);

“**Wabush Omnibus Order**” means the Court Order dated June 9, 2015, *inter alia*, granting priority to certain CCAA Charges, authorizing the engagement of a Sale Advisor nunc pro tunc, granting a Sale Advisor Charge, and amending the Wabush Initial Order accordingly, as such order may be amended, restated, supplemented, modified or rectified from time to time;

“**Wabush Pension Cash Pool**” means the Cash pool available under the Plan to satisfy Proven Pension Claims against the Wabush Mines Parties, in the total amount of Cdn.\$18 million;

“**Wabush Pension Plans**” means, collectively, the Salaried Pension Plan and the Hourly Pension Plan;

“**Wabush Property**” means all current and future assets, rights, undertakings and properties of the Wabush CCAA Parties, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

“**Wabush Railway**” has the meaning ascribed thereto in Recital B;

“**Wabush Resources**” has the meaning ascribed thereto in Recital B;

“**Wabush Sale Advisor Charge**” means the charge over the Wabush Property, granted in favour of Moelis & Company LLC (in its capacity as Sale Advisor) pursuant to the Wabush Omnibus Order;

“**Website**” means [www.cfcanada.fticonsulting.com/bloomlake](http://www.cfcanada.fticonsulting.com/bloomlake); and

“**Withholding Obligation**” has the meaning ascribed thereto in Section 7.2(b).

**Schedule 'B'**

**Non-Filed Affiliate Unsecured Interco Claims**

**Schedule "C"**

**Non-Filed Affiliate Secured Interco Claims**

**Schedule ‘D’**

**CCAA Party Pre-Filing Interco Claims**



**Schedule 'E'**

**Form of Sanction Order**