

ASSIGNMENT ORDER

SUPERIOR COURT
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: June 26, 2017

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

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

WABUSH IRON CO. LIMITED

WABUSH RESOURCES INC.

WABUSH LAKE RAILWAY COMPANY LIMITED

Petitioners

-and-

WABUSH MINES

TACORA RESOURCES INC.

MAGGLOBAL LLC

**THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE MINERAL CLAIMS RECORDER FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE REGISTRAR OF MOTOR VEHICLES FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE DIRECTOR OF COMMERCIAL REGISTRATIONS FOR THE PROVINCE OF
NEWFOUNDLAND AND LABRADOR**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor



ASSIGNMENT ORDER

- [1] **ON READING** the Petitioners' *Motion for the Issuance of an Assignment Order* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the 37th Report of the Monitor dated June 16, 2017, (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys; and
- [4] **SEEING** that it is appropriate to issue an order assigning the rights and obligations of the Vendors under the Assigned Contracts (as defined below) as contemplated by the Asset Purchase Agreement (as may be amended, modified or supplemented in accordance with this Order and the Approval and Vesting Order, the "**Purchase Agreement**"). dated as of June 2, 2017 by and among Wabush Iron Co. Limited, Wabush Resources Inc., and Wabush Lake Railway Company Limited as vendors (collectively, the "**Vendors**"), Tacora Resources Inc. as purchaser (and together with its permitted assigns under the Purchase Agreement, the "**Purchaser**"), MagGlobal LLC, as guarantor (the "**Parent Entity**"), a copy of which was filed as Exhibit R-4 to the Motion.

FOR THESE REASONS, THE COURT HEREBY:

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

SERVICE

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

ASSIGNMENT OF AGREEMENTS

- [9] **ORDERS** that upon delivery of the Monitor's Certificate (the "**Monitor's Certificate**") referred to in the Order of Justice Hamilton dated June 26, 2017 (the "**Approval and Vesting Order**"), all of the rights and obligations of the Vendors under the agreements set out in Schedule "A" hereto (collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser pursuant to section 2.3 of the Purchase Agreement and pursuant to section 11.3 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("**CCAA**").
- [10] **ORDERS** that, with respect to the Assigned Contracts that are real property leases (collectively the "**Real Property Leases**"), upon delivery of the Monitor's Certificate,

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the Purchaser shall be entitled and subject to all of the rights and obligations as tenant pursuant to the terms of the Real Property Leases and registrations thereof and may enter into and upon and hold and enjoy each premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Vendors, the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Vendors or the landlords under the Real Property Leases.

- [11] **ORDERS** that the assignment of the rights and obligations of the Vendors under the Assigned Contracts to the Purchaser, or such related party as the Purchaser may designate in accordance with Section 2.3(9) of the Purchase Agreement, pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
- [12] **ORDERS** that the Vendors' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.
- [13] **ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Vendors, the commencement of these CCAA proceedings, or any failure of the Vendors to perform a non-monetary obligation under the Assigned Contracts.
- [14] **ORDERS** that the Cure Costs in respect of each of the Assigned Contracts listed on Schedule "A" hereto other than the Wabush Sub-Lease shall be the amounts set out on Schedule "A" hereto and such amounts shall be disbursed by the Monitor in accordance with the Purchase Agreement and the provisions of the Approval and Vesting Order.
- [15] **ORDERS** that any claim of MFC relating to or arising from the Wabush Sub-Lease prior to May 20, 2015, including any claim contemplated by the Proof of Claim filed by MFC pursuant to the Claims Procedure Order dated November 5, 2015, as it may be amended, restated or supplemented from time to time, and the arbitration proceedings commenced in respect of the Wabush Sub-Lease (the amount of such pre-filing claims finally determined to be payable to MFC in accordance with this paragraph, being the "**MFC Pre-Filing Claim**"), shall, unless otherwise agreed by the parties, be heard and determined by Justice Stephen W. Hamilton in the context of the CCAA Proceedings by no later than October 18, 2017, or as further ordered by the Court, or any appeal of Justice Hamilton's decision, and the stay of proceedings shall be lifted to the extent necessary to permit such determination.
- [16] **ORDERS** that the amount of the Disputed Post-Filing Royalties payable to MFC, shall, unless otherwise agreed by the Vendors and MFC, be finally determined in the Motion before this Court on July 19, 2017, July 20, 2017, and July 21, 2017 (or such other dates as may be agreed by the parties and/or directed by the Court), or any appeal of the decision on such Motion (the amount of such Disputed Post-Filing Royalties finally
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determined to be payable to MFC in accordance with this paragraph, being the "**MFC Post-Filing Claim**").

- [17] **ORDERS** that the monetary defaults to be remedied in relation to the Wabush Sub-Lease shall be the aggregate of the MFC Pre-Filing Claim plus the MFC Post-Filing Claim, as finally determined in accordance with paragraphs [15] and [16] above (collectively, the "**Lease Cure Costs**").
- [18] **ORDERS** that, notwithstanding paragraph 24 of the Approval and Vesting Order, the Monitor shall remit to MFC in satisfaction of the Lease Cure Costs (i) from the Cure Costs payment received by the Monitor on Closing in respect of the Wabush Sub-Lease (the "**Maximum MFC Pre-Filing Cure Costs**"), the amount of the MFC Pre-Filing Claim within five (5) Business Days of final determination of the MFC Pre-Filing Claim in accordance with paragraph [15] above, and (ii) from the Disputed Post-Filing Royalties received by the Monitor, the amount of the MFC Post-Filing Claim within five (5) Business Days of final determination of the MFC Post-Filing Claim in accordance with paragraph [16] above.
- [19] **ORDERS** that any outstanding procedural issues in connection with the determination of the MFC Pre-Filing Claim shall be agreed upon between MFC and the Purchaser or determined by order of this Court.
- [20] **ORDERS** that any amount of the Maximum Pre-Filing MFC Cure Costs received by the Monitor from the Purchaser in excess of the MFC Pre-Filing Claim shall be returned by the Monitor to the Purchaser within five (5) Business Days of final determination of the MFC Pre-Filing Claim.
- [21] **ORDERS** that no Encumbrances shall attach to the Maximum MFC Pre-Filing Cure Costs amount received by the Monitor from the Purchaser and that the only parties which may claim any entitlement to same shall be the Purchaser or MFC in accordance with paragraphs 18 and 20 hereof.
- [22] **ORDERS** that, other than the Cure Costs listed on Schedule "A" hereto (or, in the case of the Wabush Sub-Lease, the Maximum MFC Pre-Filing Cure Costs), as applicable, the Purchaser shall not be liable for any other amounts of any kind due in respect of any Assigned Contract for the period up to the Closing Time.
- [23] **ORDERS** that the Vendors are hereby irrevocably and unconditionally fully and finally released of and from any and all claims, liabilities or obligations whatsoever arising from any event, fact, matter or circumstance occurring or existing following the Closing Time in respect to any Assigned Contract, including, for greater certainty, any obligation to remit to MFC any amounts payable under the Wabush Sub-Lease from the period from and after the Closing Time.
- [24] **ORDERS** that the Vendors, the Purchaser, the Monitor and any counterparty to any Assigned Contract may apply to this Court for advice and direction, or to seek relief in respect of, any matters arising from or under this Order, including without limitation, as necessary, to effect the assignment of the Assigned Contracts, the interpretation of this Order or the implementation thereof, and for any further order that may be required, on notice to any party likely to be affected by the order sought or on such notice as this Court requires.
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[25] **DIRECTS** the Vendors to send a copy of this Order to all of the counterparties to the Assigned Contracts.

GENERAL

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

[27] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

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

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

THE WHOLE WITHOUT COSTS, save in case of contestation.



STEPHEN W. HAMILTON J.S.C.

M^{re} Bernard Boucher
(Blake, Cassels & Graydon LLP)
Attorneys for the Petitioner

COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR



Personne désignée par le greffier

Hearing date: June 26, 2017

SCHEDULE "A" TO ASSIGNMENT ORDER

ASSIGNED CONTRACTS

Contract Counterparty	Contract Description	Cure Cost
MFC Bancorp Ltd.	Amendment and Consolidation of Mining Leases dated September 2, 1959 initially made between Canadian Javelin Limited (now MFC), as lessor, and Wabush Iron, as lessee, as the same has been amended and assigned from time to time, pursuant to which Wabush Mines has been granted rights to conduct mining operations at the Scully Mine.	\$11,237,679
Government of Newfoundland; Northern Land Company Limited; Carol Lake Company Limited	Statutory Agreement dated September 4, 1959 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.	None Payable
Government of Newfoundland; Northern Land Company Limited; Carol Lake Company Limited	Statutory Supplementary Agreement dated May 16, 1961 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.	None Payable
Cliffs Quebec Iron Mining Limited; Bloom Lake Railway Company Limited	Amended & Restated Agreement for Right of Way and Easement dated September 19, 2014, as amended, among, inter alios, Wabush Lake Railway, Consolidated Thompson Iron Mines Limited (now Cliffs Québec Iron Mining ULC) and Bloom Lake Railway Company Limited.	None Payable
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Statutory Agreement between Government, Nalco, Javelin, Wabush Iron Company, PM-Stelco, pursuant to Act No. 84 of 1957.	None Payable

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Contract Counterparty	Contract Description	Cure Cost
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Statutory Supplementary Agreement between Government, Nalco, Javelin, P.M., Stelco, Wabush Iron, P.M. as Attorney for Midway Ore Company Limited and Mather Iron Company, pursuant to Act No. 41 of 1960.	None Payable
Government of Newfoundland; MFC Bancorp Ltd. (formerly Javelin)	Statutory Agreement between Government and Javelin dated 4 September 1959 relating to payment of Royalty Escalation pursuant to Act No. 33 of 1959.	None Payable
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Statutory Supplementary Agreement between Government and Javelin dated 28 June 1960 amending the Statutory Agreement of 4 September 1959 pursuant to Act No. 42 of 1960.	None Payable
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement)	Statutory Agreement between Government and Nalco dated 4 September 1959 relating to procedure in case of defaults pursuant to Act No. 34 of 1959.	None Payable
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Statutory Agreement between Government and Nalco, and Javelin, and Wabush Iron dated 4 September 1959 relating to royalties on minerals mined in Knoll lake Area pursuant to Act No. 36 of 1959.	None Payable

Contract Counterparty	Contract Description	Cure Cost
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Statutory Agreement between Government, Nalco, and Javelin dated 4 September 1959 and pursuant to Act No. 35 of 1959.	None Payable
Northern Airport Limited	Indenture between Wabush Iron and Northern Airport Ltd. dated 3 of October, 1961 relating to conveyance of portion of Knoll Lake area.	None Payable
Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); MFC Bancorp Ltd. (formerly Javelin).	Nalco Water License to use waters of Little Wabush Lake dated 18 January, 1962 as subsequently assigned to Wabush Iron and its affiliates.	None Payable
Knoll Lake Minerals Limited	Nalco Deed of Consent for issue of pump house site lease to Knoll Lake Minerals Limited, dated 10 November, 1964, as required by Act No. 88 of 1951, and as subsequently assigned to Wabush Iron and its affiliates.	None Payable

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Contract Counterparty	Contract Description	Cure Cost
<p>Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); assigned to MFC Bancorp Ltd. (formerly Javelin).</p>	<p>The Crown Lease made by and between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and to Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962 and registered in the Registry of Deeds at Volume 578, Folios 001-043, and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc. as lessees, respecting mining rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold, assigned or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador.</p>	<p>\$4,216.32¹ (payable to the Government of Newfoundland)</p>
<p>Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); assigned to MFC Bancorp Ltd. (formerly Javelin).</p>	<p>The Crown Lease made between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962, and registered in the Registry of Deeds at Volume 579, Folios 362-392 and in the Registry of Transfers as Item No. 26 in the Minerals Volume entitled "Volume 1 – NALCO and Associates", and subsequently assigned to Wabush Iron Co. Limited as lessee, respecting mining rights to Wabush Mountain Area.</p>	<p>\$154,965.44² (payable to the Government of Newfoundland)</p>
<p>Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); assigned to MFC Bancorp Ltd. (formerly Javelin).</p>	<p>Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as lessor, and Knoll Lake, as lessee, dated 12 April 1965 and subsequently assigned to Wabush Iron and Wabush Resources, respecting an area consisting of 8.678 acres of land for use as a pumping station.</p>	<p>None Payable</p>

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¹ To December 31, 2016.

² To December 31, 2016.

Contract Counterparty	Contract Description	Cure Cost
<p>Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); assigned to MFC Bancorp Ltd. (formerly Javelin).</p>	<p>Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as licensor, and Newfoundland and Labrador Corporation Limited, as licensee, dated 15 May 1962 and registered in the Registry of Deeds for Newfoundland and Labrador at Volume 577, Folios 544-563, and subsequently assigned to Wabush Iron and Wabush Resources, respecting the deposit and recovery of tailings in Flora Lake.</p>	<p>None Payable</p>
<p>Government of Newfoundland; Knoll Lake Minerals Limited (replacing Nalco by way of Novation Agreement); assigned to MFC Bancorp Ltd. (formerly Javelin).</p>	<p>The Crown Grant made by the Lieutenant Governor in Council to Newfoundland and Labrador Corporation Limited, dated May 26, 1956 and registered in the Registry of Transfers as Item No. 3 in the Land Titles (Concessions) Volume entitled "Volume 1 – NALCO and Associates", and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc., respecting the surface rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold, assigned or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador.</p>	<p>None Payable</p>
<p>Government of Newfoundland (Ministry of Transportation)</p>	<p>Indenture, dated January 14, 1983, between Wabush Iron, Stelco Inc., Dofasco Inc. and the Newfoundland and Labrador Ministry of Transportation for proposed Route 530, registered in the Registry of Deeds for Newfoundland and Labrador at Volume 3732, pages 250-257 and Roll 95, Frame 2376.</p>	<p>None Payable</p>

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