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Montreal, October 16, 2015

BY EMAIL

Mtre Bernard Boucher
BLAKE, CASSELS & GRAYDON S.E.N.C.R.L.
600 boulevard de Maisonneuve Ouest
Suite 2200
Montréal QC
H3A 3J2

Re : In the matter of the Plan of Compromise pursuant to
the *Companies' Creditors Arrangements Act*
of BLOOM LAKE GENERAL PARTNER LIMITED et *als.* (the "**Petitioners**")
Our file : 296328-000001

Dear counsel,

The present is further to our letter of August 13th, 2015.

As you know, we represent the interests of EBC Inc. and Groupe UNNU-EBC s.e.n.c., secured creditors of the Petitioners who have registered construction legal hypothecs on the assets of The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake General Partner Limited (hereinafter, together "**Bloom Lake**"), more particularly, Bloom Lake's rights under Mining Lease BM 877 and the mining claims held by Bloom Lake, as more fully described in the legal hypothecs in favour of our clients, published in the Public Register of real and immoveable Mining Rights under numbers 55 903 and 55 904 and in the Land Registry for the Cadastral Division of Saguenay under numbers 21 400 256 and 21 400 270 (hereinafter, the "**Mining Rights**").

As you also know, our clients are, together, the holders of the largest construction legal hypothecs in value published against the Mining Rights, although several other creditors hold similar rights (the "**Construction creditors**"), and that as a result, our clients and the Construction Creditors have similar rights and interests. Moreover, to our knowledge, the construction legal hypothecs published in favour of our clients and of the Construction creditors against the Mining Rights constitute first ranking charges against such Mining Rights.

Pursuant to the Sale and Investor Solicitation Process (the "**SISP**") approved by the Court, final binding offers were to be received by Bloom by no later than July 19th, 2015, namely almost three months ago. To this date, no information whatsoever has been communicated generally to

the creditors and other stakeholders of Bloom Lake by the Monitor or Bloom Lake, by way of report to the Court or any other way, with respect to the results of the SISP.

However, our client has recently learned that the employees at the Bloom Lake mine have been advised that Champion Iron Limited, or one of its affiliates (“**Champion**”) would allegedly become the owner of the Bloom Lake mine, and, we must assume, the Mining Rights. It is important to note that this information was not provided to our client or the undersigned by Bloom Lake or the Monitor. As a result of the foregoing, and presuming the information above is correct, unless denied by Bloom Lake, we must assume that Bloom Lake is in the midst of finalizing an agreement with Champion and that a motion for approval of the sale and vesting order will follow suit.

Our clients, in their capacity as holders of the largest construction legal hypothecs in value published against the Mining Rights, have a very important vested interest in the result of the SISP and intend to examine the SISP process carefully before agreeing to the disposition of the Mining Rights. Our clients are not prepared to wait until the issuance of a motion for approval of the sale and of a vesting order to obtain relevant information in such respect. Moreover, as you are aware, our clients have appointed PricewaterhouseCoopers inc. as their financial advisers, to assist in reviewing the SISP process and in evaluating the impact of the sale of the Mining Rights in the context of the SISP.

As such, our clients require, the following information with respect to developments regarding the SISP, as such process relates to the Mining Rights, namely:

1. Confirmation or denial of the proposed transaction with Champion;
2. If such transaction is confirmed, a copy of the offer made by Champion;
3. A copy of all other offers received by Bloom Lake within the context of the SISP and which encompass the Mining Rights.
4. Access to Moelis' solicitation list of potential acquirers for the assets of Bloom Lake, in order to assess whether the breadth and depth of contacts identified was in line with what we would have expected for an asset of this type.
5. Access to Moelis' data room which was made available to potential purchasers, and to all documents contained therein, in order to assess the nature and quality of documentation made available to prospective purchasers;
6. The precise amount of cash on hand by Bloom Lake as of the current date;
7. All available data regarding the carrying costs of the Bloom Lake mine should the operation be mothballed and kept for a certain period of time with a view to disposing of it at a later date. Depending on the result of the SISP and the proposed consideration offered by Champion for the Mining Rights, our clients

and the other stakeholders holding security against the Mining Rights, including the Construction creditors and the City of Fermont, may wish to explore the viability of an alternative strategy whereby the Mining Rights are held for a certain period with a view of an improved resources market in the future and a better result to a sale process at a later date;

Our clients reserve the right to request further information in the event same becomes relevant.


We do not see how providing this information could be prejudicial to the Petitioners or affect the integrity of the SISF, considering that final offers were to be received almost three (3) months ago. Moreover, providing such information is appropriate under the circumstances, considering that the purpose of Petitioners' CCAA process is, for all intents and purposes, to allow for an orderly liquidation of Petitioners' assets, that the rights of our clients and of the Construction creditors are most affected by the Petitioners insolvency' and the CCAA process, as same relate to the Mining Rights. Moreover, providing such information may, if the value allocated to the Mining Rights pursuant to the Subject Offers is sufficient, satisfy our clients and provide them with some comfort that the SISF will result in full payment of their secured claims.

Please note however that if Petitioners refuse to provide the information above, our clients intend to seek redress from the Court. In such circumstances, we intend to seek support from the Construction creditors as well as other creditors of the Petitioners.

We thank you for your prompt and diligent cooperation.

Best regards,

BORDEN LADNER GERVAIS, S.E.N.C.R.L., S.R.L.



François D. Gagnon
FDG/sb

c.c. Mtre. Sylvain Rigaud, *Norton Rose Fulbright Canada*
Mtre Virginie Fortin, *EBC Inc.*
Mr. Martin Houle, *EBC Inc.*
Mr. Philippe Jordan, *PriceWaterhouseCoopers Inc.*

Best regards,

MTL01: 3516613: v2

Barbusci, Stéphanie

De: Gagnon, François D.
Envoyé: October-16-15 1:06 PM
À: Bernard Boucher (bernard.boucher@blakes.com)
Cc: Virginie Fortin; Martin Houle; philippe.jordan@ca.pwc.com; Sylvain Rigaud (sylvain.rigaud@nortonrosefulbright.com)
Objet: In the matter of the CCAA of Bloom Lake et als. - Our file: 296328-000001
Pièces jointes: MTL01 -#3517713-v1-Letter to Me Boucher 16-10-15.PDF

Importance: Haute

Dear counsel,

Please find enclosed our letter addressed to you dated today.

Please note that this request for information **IS NOT** made within the context of the Confidentiality Agreement executed between our respective clients dated September 16, 2015. And that we will not consider your response subject to such agreement.

Best regards.



François D. Gagnon


Partner / Associé

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