

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
C O M M E R C I A L D I V I S I O N
SITTING PURSUANT TO THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C., C. 36

NO: 500-11-048114-157

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

BLOOM LAKE GENERAL PARTNER LIMITED
QUINTO MINING CORPORATION
8568391 CANADA LIMITED
CLIFFS QUÉBEC IRON MINING ULC

Petitioners

and

THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP
BLOOM LAKE RAILWAY COMPANY LIMITED

Mises en cause

and

FTI CONSULTING CANADA INC.

Monitor

and

IRON ORE COMPANY OF CANADA

Objecting Party

NOTICE OF OBJECTION BY IRON ORE COMPANY OF CANADA TO THE MOTION FOR AN
ORDER APPROVING A SALE AND INVESTOR SOLICITATION PROCEDURE
(Related to Procedure #61 of the Docket)

TO THE HONOURABLE JUSTICE STEPHEN W. HAMILTON, J.S.C. OF THE SUPERIOR
SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTREAL, THE
OBJECTING PARTY, IRON ORE COMPANY OF CANADA, RESPECTFULLY SUBMITS:

1. Iron Ore Company of Canada ("IOC") objects to the Petitioners' *Motion for an Order Approving a Sale and Investor Solicitation Procedure* dated April 2, 2015 (the "**SISP Motion**") pursuant to paragraph 36 thereof and paragraph 55 of the Initial Order dated January 27, 2015, as amended on February 20, 2015 and as may be further amended from time to time (the "**Initial Order**").

2. In the SISP Motion, the Petitioners and Mises-en-cause are seeking an order approving and circumscribing the implementation of a Sale and Investor Solicitation Procedure ("**SISP**") whose purpose is, *inter alia*, to solicit bidders interested in acquiring substantially all of the property, assets and undertakings of the **SISP Parties**, i.e. the following entities, collectively:
 - i) Petitioners and Mises-en-cause (the "**CCAA Parties**"); and
 - ii) Wabush Iron Co. Limited ("**Wabush Iron**"), Wabush Resources Inc., Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "**Non-CCAA Parties**").
3. The proposed SISP further provides for the solicitation of investments in one or more of the businesses defined therein.
4. Unlike the CCAA Parties, the Non-CCAA Parties have not applied for this Court's protection under the CCAA and are not subject to the Initial Order.
5. IOC and Wabush Iron, a Non-CCAA Party, share a longstanding and complex business relationship and are together directly or indirectly parties to several agreements.
6. For one, IOC and Wabush Iron each directly or indirectly own one half (50%) of the issued outstanding common stock of Northern Land Company Limited (the "**Northern Land Shares**").
7. A Subscription Agreement between Wabush Iron, IOC and Northern Land Company Limited dated August 3, 1959 (the "**Subscription Agreement**"), provides *inter alia* at Sections 6 and 7, that no holder of the Northern Land Shares is to transfer any portion thereof, except as specifically provided for under the Subscription Agreement (the "**Transfer Restrictions**").
8. The Subscription Agreement further provides in said Sections that neither Wabush Iron nor IOC is to transfer their respective portion of the Northern Land Shares to unrelated third parties, unless the other party has first been offered, and refused to purchase same (the "**Right of First Refusal**").
9. Moreover, the Subscription Agreement further provides for several of additional contractual rights accruing to IOC and its related entities.
10. Paragraphs 28 to 33 of the SISP Motion address the treatment of "Contractual Rights relating to the SISP". With respect to the effects of the SISP on the Contractual Rights of third parties, such as those accruing to IOC under the Subscription Agreement, it is notably alleged that:
 31. The SISP Parties are of the view that fully honouring these Contractual Rights would impair their ability to maximize the value of their Businesses and Property for the benefit of their stakeholders, as it would have a chilling effect on other potentially interested parties.
11. As compensation for any eventual failure by a SISP Party to "fully honour" such Contractual Rights, paragraph 32 of the SISP Motion further purports to offer a "reasonable accommodation" to Contractual Rights Holders by placing them on the list of Prospective Bidders under the SISP.

12. Based on the above, IOC objects to the SISP Motion on the following grounds:
- i) The SISP Motion, as drafted, alleges or strongly implies that the SISP Parties – including Non-CCAA Parties such as Wabush Iron – may fail to “fully honour” certain Contractual Rights.
 - ii) The allegations in the SISP motion relating to the survival of binding contractual rights of third parties such as IOC are at best ambiguous and thereby cast doubt upon the fairness, transparency and integrity of the SISP and its implementation.
 - iii) The SISP Parties are ostensibly asking this Court to validate the anticipated breach of binding contractual obligations such as those existing between that Wabush Iron and IOC.
 - iv) The proposed “reasonable accommodation” to be offered as compensation to victims of any eventual contractual breach by all SISP Parties, including Non-CCAA Parties, has no foundation in law and has not been negotiated with IOC.
 - v) Non-CCAA Parties such as Wabush Iron are not subject to CCAA protection or the Initial Order and cannot benefit from the remedial provisions thereof.
 - vi) Should Non-CCAA Parties be permitted to solicit prospective bidders to purchase their assets or invest in their businesses through the SISP, they must carry out this process while “fully honouring” all contractual rights relating to any such assets or businesses.
13. The present objection is well founded in fact and law.

FOR THE REASONS SET FORTH ABOVE, MAY IT PLEASE THE COURT TO

DECLARE that the final order approving the SISP shall not affect or impair the contractual rights of IOC and its related companies vis-à-vis the Non-CCAA Parties, including Wabush Iron Co. Limited, and should in no way be otherwise construed.

DECLARE that the SISP is to be carried out without prejudice and in respect of any contractual rights held by IOC and its related companies vis-à-vis the Non-CCAA Parties, including Wabush Iron Co. Limited.

THE WHOLE with costs.

Montréal, this 13th day of April 2015

(s) Langlois Kronström Desjardins ^{LLP}

LANGLOIS KRONSTRÖM DESJARDINS ^{L.L.P.}
Counsel for Objecting Party, Iron Ore Company of Canada

N° : 500-11-048114-157

Superior Court (Commercial Division)
District of Montreal

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ORIGINAL

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