

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

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

**BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING
CORPORATION, CLIFFS QUÉBEC IRON
MINING ULC, 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

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

INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation (“**Quinto**”), 8568391 Canada Limited (“**856**”) and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Québec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”) and Bloom Lake Railway Company Limited (“**BLRC**” and, together with BLLP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.
2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company (“**Arnaud**”) and Wabush Lake Railway Company Limited (“**Wabush Railway**” and, collectively with Arnaud and Wabush Mines, the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended, restated or rectified from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.

3. The Bloom Lake Stay Period and the Wabush Stay Period (together, the “**Stay Period**”) have been extended from time to time and currently expire on November 30, 2020.
4. On November 5, 2015, Mr. Justice Hamilton J.S.C. (as he then was) granted an Order (the “**Claims Procedure Order**”) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers (as amended, the “**Claims Procedure**”).
5. On March 26, 2018, Mr. Justice Hamilton J.S.C. (as he then was) granted an Order (the “**Post-Filing Claims Procedure Order**”) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties or their directors and officers arising since the commencement dates of the CCAA Proceedings (the “**Post-Filing Claims Procedure**”).
6. On June 29, 2018, Mr. Justice Hamilton J.S.C. (as he then was) granted an Order (the “**Sanction Order**”), *inter alia*, sanctioning the amended and restated joint plan of compromise and arrangement of the Participating CCAA Parties dated May 16, 2018 (as amended from time to time, the “**Plan**”).
7. On July 31, 2018, the Monitor issued and filed the Plan Implementation Date Certificate, *inter alia* certifying that:
 - (a) The Monitor had received from each of the Participating CCAA Parties and the Parent, the applicable Conditions Certificate confirming fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 11.3 of the Plan, and in accordance with the Sanction Order, and
 - (b) The Plan Implementation Date had occurred in accordance with the Plan.

8. The first interim distributions to Affected Third Party Unsecured Creditors were made from each of the Unsecured Creditor Cash Pools and Pension Cash Pools in August and September 2018¹, with approximately \$132.4 million being distributed to Affected Third Party Unsecured Creditors pursuant to the Plan.
9. To date, the Monitor has filed fifty-four reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor's Fifty-Fifth Report (this "**Report**"), is to provide information to the Court with respect to:
 - (a) The receipts and disbursements of the CCAA Parties for the period February 1, 2020 to October 31, 2020;
 - (b) The CCAA Parties' current cash balances;
 - (c) The progress of the Claims Procedure;
 - (d) The completion of the Post-Filing Claims Procedure;
 - (e) Matters completed since the date of the Monitor's Fifty-Fourth Report;
 - (f) The postponement of the second interim distribution under the Plan (the "**Second Interim Distribution**");
 - (g) The progress of ongoing matters to be completed in the CCAA Proceedings; and
 - (h) The CCAA Parties' request for an extension of the Stay Period to May 31, 2021 (the "**Stay Extension Motion**"), and the Monitor's recommendation thereon.

¹ Distributions on account of the Salaried Late Employee Claims and the USW Late Employee Claims were made in January 2019.

TERMS OF REFERENCE

10. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties' books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the "**Information**").
11. Except as described in this Report:
 - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. The Monitor has prepared this Report in connection with the Stay Extension Motion which is scheduled to be heard November 27, 2020, and should not be relied on for other purposes.
13. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the previous reports of the Monitor or the Plan.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO OCTOBER 31, 2020

15. The CCAA Parties' actual cash flow on a consolidated basis for the period from February 1, 2020 to October 31, 2020, is summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Receipts	215	346
Disbursements:		
Payroll & Employee Benefits		
Termination & Severance		
Utilities		
Other Operating Disbursements	(5)	(8)
Operating Cash Flows	210	338
Net Tax Refunds	328	890
Allocation Methodology Transfers		
Transfer from Related Party Distributions		
Third Party Distributions	(1,965)	
BLRC Payment		
Restructuring Professional Fees	(1,059)	(460)
Net Cash Flow	(2,486)	768

16. The third party distributions of approximately \$1,965,000 are the payments made to City of Vermont pursuant to the Plan on account of their secured claims on settlement of the Municipal Tax Contestations, as described later in this Report.

CURRENT CASH BALANCES

17. As previously reported, all transactions are being processed through the Monitor's accounts on behalf of the CCAA Parties. As at October 31, 2020, the Monitor held approximately \$39.2 million on behalf of the Bloom Lake CCAA Parties and approximately \$8.6 million on behalf of the Wabush CCAA Parties, each net of unrepresented cheques.

18. Unpresented cheques include 36 cheques in the aggregate amount of \$111,793.19 issued in respect of the interim distributions under the Plan. These cheques are stale-dated and payments will be reissued on the request of the creditor entitled to such payment or together with the final distributions under the Plan.

THE CLAIMS PROCEDURE

19. All claims filed pursuant to the Claims Procedure Order have now been finally determined, with the exception of the claims of Centre de Services du Fer, formerly Commission Scolaire du Fer (“CSF”), which are discussed later in this Report.

THE POST-FILING CLAIMS PROCEDURE

20. All Post-Filing Claims and the one D&O Post-Filing Claim that were filed in accordance with the Post-Filing Claims Procedure Order have been finally determined.

MATTERS COMPLETED SINCE THE MONITOR’S FIFTY-FOURTH REPORT

21. Several open matters have been completed since the date of the Monitor’s Fifty-Fourth Report, summarized as follows:

CITY OF FERMONT MUNICIPAL TAX CONTESTATIONS

22. On May 29, 2020, the Monitor, BLGP, BLLP and the City of Fermont entered into an agreement settling the Municipal Tax Contestations and the claims of the City of Fermont.

THE CSF CLAIMS

23. Following the execution of the settlement agreement with City of Vermont, the Monitor entered into settlement discussions with CSF. The Monitor and CSF have reached an agreement in principle settling the claims of CSF and the CSF Claim Amendment Motion, subject to determination of the amount that will be paid to CSF on account of their secured claims and the execution of definitive documentation. That determination is dependent on the resolution of issues raised by CRA in respect of the CCAA Parties' 2018 income tax returns, as discussed later in this Report.

CRA AND RQ TAX AUDITS AND OTHER TAX MATTERS

24. Since the Monitor's Fifty-Fourth Report, the only tax related matter that has been resolved is the CRA audit of the amended 2016 and 2017 income tax returns. The completion of the CRA audit resulted in the release of a refunds of \$1,284,029.74 by CRA and \$970,400.04 by RQ. However, RQ applied \$41,520.86 of the refund against payroll penalties and interest which, as discussed later in this Report, arose only as a result of RQ's failure to properly apply payments made by the Monitor on the CCAA Parties' behalf.
25. However, as detailed later in this Report, there are a substantial number of tax related matters which remain ongoing or have newly arisen with CRA and RQ.

POSTPONEMENT OF SECOND INTERIM DISTRIBUTION

26. The Monitor had previously reported that it was not anticipated that a further interim distribution would be made prior to the final distribution. However, with the settlement of the Municipal Tax Contestations and the agreement in principle for the settlement of the CSF Claims and given the continued extensive delays being encountered from CRA and RQ, the Monitor determined that it could proceed with the Second Interim Distribution.

27. However, in September 2020, shortly before the Monitor would have been in position to make the Second Interim Distribution, the CCAA Parties were unexpectedly informed by CRA that it proposes to deny certain deductions claimed by the CCAA Parties in the 2018 tax returns. Of most significance would be:
- (a) The proposed denial of various expense deductions, on the basis that the CCAA Parties have not proven that such expenses were not previously deducted; and
 - (b) The partial denial of the “insolvency deduction”, which should be available to the CCAA Parties to shelter any tax resulting from debt forgiveness arising from the Plan that was not otherwise sheltered by the CCAA Parties available tax attributes.
28. The CCAA Parties informed the Monitor that, based on the positions taken by CRA on the WRI proposal, the CCAA Parties anticipate that similar proposals may be received from CRA in respect of the 2018 returns related to CQIM and BLLP. If CRA was to make assessments in relation to CQIM, WRI and BLLP in a manner consistent with the WRI proposal, and such assessments were to prevail, they could result in material income tax liabilities which, in the worst-case scenario, could in the aggregate be greater than the total cash currently held by the Monitor on behalf of the CCAA Parties, although the CCAA Parties would, as expressly acknowledged by CRA in the WRI Proposal, have the ability to seek certain tax filing amendments that could reduce the amount of taxes payable. Accordingly, the Monitor postponed the Second Interim Distribution pending resolution of the issue.

29. Based on expert tax advice received, both the CCAA Parties and the Monitor are of the view that CRA's position is simply incorrect. With regard to the denial of various expense deductions, the deductions primarily relate to expense liabilities arising from repudiation of contracts and professional fees, both of which could only have arisen subsequent to the CCAA filing and could therefore not have been deducted prior to the CCAA filing date. Accordingly, the CCAA Parties and the Monitor believe that it should be possible to demonstrate that those deductions could not have been deducted prior to the CCAA filing date and have not been deducted since the CCAA filing date.
30. The CCAA Parties are in the process of gathering additional documentation to support that the expense deductions are properly allowable and CRA has agreed to consider this additional information.
31. With regard to the insolvency deduction, there will clearly be no net assets left for shareholders as the Plan provides that all net realizations, after costs of completing the CCAA Proceedings, will be distributed to creditors in accordance with the Plan. Accordingly, the insolvency deduction should be available to fully shelter debt forgiveness.
32. The CCAA Parties have provided additional submissions and documentation with respect to the insolvency deduction which CRA has agreed to consider. The CCAA Parties and the Monitor are hopeful that those submissions and documentation will provide satisfactory support that the insolvency deduction is available and that there is no tax payable.

ONGOING MATTERS TO BE COMPLETED IN THE CCAA PROCEEDINGS

33. Apart from final resolution of the outstanding claims described earlier in this Report and the final distributions pursuant to the Plan, the key matters to be completed in the CCAA Proceedings are summarized as follows:

- (a) The completion of various CRA and RQ tax audits, assessments and other tax-related matters, and the collection of any remaining refund amounts owing to the CCAA Parties;
- (b) The resolution of matters in respect of the shares of Twin Falls Power Corporation Limited (“**Twin Falls**”);
- (c) The payment of the Second Interim Distribution, assuming satisfactory and timely resolution of the issues with CRA described earlier in this Report, and the Final Distributions under the Plan;
- (d) The issuance of tax reporting slips in respect of any further distributions to Employees under the Plan;
- (e) Destruction of books and records, as described in paragraphs 73 to 78 of the Stay Extension Motion;
- (f) The dissolution of the CCAA Parties after the Final Distribution, if appropriate, as contemplated by the Plan;
- (g) The filing of final tax returns; and
- (h) The completion of the necessary statutory and administrative steps for the termination of the CCAA Proceedings and the discharge of the Monitor.

CRA AND RQ TAX AUDITS AND OTHER TAX MATTERS

- 34. Despite the best efforts of the Monitor and the CCAA Parties, the pace of the activity by the tax authorities continues to be slow and there has been little progress on the issues reported in the Monitor’s Fifty-Fourth Report.
- 35. While a number of CRA and RQ audits and assessments have been resolved, audits, assessments or appeals relating to 128 taxation periods for various of the CCAA Parties remain in progress, summarized as follows:

- (a) 80 sales tax periods are currently under audit by RQ and RQ has yet to issue a notice of assessment for 25 further sales tax periods. Four sales tax assessments by RQ are currently under appeal; and
 - (b) 14 income tax periods are currently under audit by CRA and CRA has yet to issue a notice of assessment for a further three sales tax periods.
36. The key open tax matters are summarized as follows:
- (a) CRA audits of the 2015-2018 income tax returns of CQIM, BLLP and WRI remain open. As noted earlier in this Report, the CCAA Parties received proposed adjustments relating to WRI from CRA and believe that additional proposed adjustments would be forthcoming for CQIM and BLLP. The CCAA Parties have provided submissions and additional documentation in response to the proposed adjustments to the WRI insolvency deduction and will be providing additional support in respect of the proposed expense adjustments by November 30, 2020. CRA has indicated that they are open to considering the additional submissions and information provided by the CCAA Parties;
 - (b) While CRA has completed its audit of the 2016 and 2017 income tax returns of Arnaud that had been amended as a result of the allocation of expenses in accordance with the Allocation Methodology approved by the Court, it has yet to complete the corresponding adjustments in the applicable returns of the other CCAA Parties whose 2015-2018 income tax returns remain under audit;

- (c) CRA held a security deposit of approximately \$429,000 in respect of the HST account of Cliffs Mining Company (“**CMC**”) in its capacity as agent for Wabush Mines, the return of which was requested in June 2018. On April 22, 2019, CRA advised that approximately \$424,000 (the “**Excess Security Deposit**”) would be released. In July 2019, CRA informed the Monitor that a portion of the Excess Security Deposit had been applied to offset 2008 income tax obligations of CMC (obligations in its own right, not as agent for Wabush Mines) and a cheque for the balance of approximately \$288,000 was issued to CMC (the “**Partial Refund**”). By letter dated July 31, 2019, the Monitor disputed CRA’s aforementioned partial offset of the Excess Security Deposit. CRA claimed to have not received the July 31 letter, which was resubmitted on October 3, 2019. No response was received from CRA and in order to preserve the Partial Refund from becoming stale-dated, CMC endorsed the cheque to WRI and the Monitor cashed it on January 28, 2020. On February 3, 2020, the Monitor in consultation with the CCAA Parties, filed a service complaint with CRA’s service complaint department regarding the lack of response to the July 31 letter. An initial response to the complaint was received in April 2020 stating that further details would be provided regarding the decision to apply an amount against the CMC tax obligations, however no further correspondence has been received. A cheque in the amount of \$143,350.65 payable to CMC was issued on November 9, 2020, representing the balance of the Excess Security Deposit plus interest. The Monitor is coordinating with CMC to have the amount transferred to WRI;

- (d) A refund of \$97,696.89 owing for the October 2017 return on the HST account administered by CMC as agent for Wabush Mines was applied by CRA against income taxes owing by CMC on its own account. CMC disputed that income taxes were owing. The Monitor also takes the position that the Wabush Mines refund cannot be applied against taxes owing by CMC, if any. The Monitor has been informed that CMC believes that the matter is now resolved, which should enable collection of the refund;
- (e) RQ is withholding sales tax refunds in respect for WRI for April 2018 to September 2020 and an income tax refund for WRI for 2012 because of an outstanding QST return for May 2020. That return was in fact filed by mail in June 2020 and was apparently lost. Once told by RQ in October 2020 that it had no record of having received the return, the Monitor, on behalf of the WRI, resubmitted the return and is awaiting the processing of the return and the refund by RQ;
- (f) RQ is auditing CQIM's sales tax returns for January 2015 to December 2017, which audit commenced in April 2018. Various correspondence was exchanged between April 2018 and February 2019, at which time the auditor apparently switched focus to the November 2018 sales tax return (discussed below) and the January 2015 to December 2017 audits remain uncompleted. Due to the ongoing audits, RQ has yet to release approximately \$10,000 of refunds for the periods under audit and approximately \$12,000 of refunds included in CQIM's QST returns for June and July 2019 and May, June and July 2020;

- (g) RQ is auditing the sales tax returns for CQIM, WRI, Arnaud and BLLP on which input tax credits were claimed on account of distributions related to claims arising from the disclaimer of contracts² during the CCAA Proceedings. The Monitor has received a draft notice of assessment from RQ regarding the CQIM sales tax return which the Monitor understands would also be applicable in principle to the audits of WRI and BLLP. The Monitor is in discussions with RQ regarding various aspects of the draft notice of assessment. The sales tax audits of BLLP and WRI and Arnaud remain on hold pending the outcome of RQ's audit of CQIM;

² Pursuant to section 182(1) of the *Excise Tax Act*, such payments are deemed to include sales taxes.

- (h) As part of the CQIM audit, on November 6, 2020, RQ informed the Monitor for the first time that it intended to offset against its pre-filing claim relating to sales taxes on outstanding pre-filing invoices pursuant to Section 296 of the *Excise Tax Act, R.S.C. 1985, c. E-15, as amended* and *Section 25 of the Act respecting the fiscal administration, C.Q.L.R., c. T-01, as amended* (collectively the “**296 Claims**”) amounts owing to the CQIM in respect of input tax credits (“**ITCs**”) for the purpose of GST and input tax refunds (“**ITRs**”) for the purposes of QST (collectively the “**ITC Claims**”) that, pursuant to provisions of the relevant tax statutes, are deemed included in payments made as part of the first interim distribution under the Plan in respect of Restructuring Claims (the “**Damage Payment ITCs**”). RQ has acknowledged that it is unable to off-set pre- and post-filing amounts, but has taken the position that the Damage Payment ITCs are pre-filing amounts. The Monitor is of the view that it is clear on the wording of the tax statutes and the provisions of the CCAA, the Claims Procedure Order and the Plan that the Damage Payment ITCs are not pre-filing amounts and that set-off against the pre-filing 296 Claims is not permitted. Detailed submissions on the matter were submitted to RQ on November 16, 2020;

- (i) A notice of objection to the disallowance of input tax credits for October 2016 to January 2017 claimed by Wabush Mines through its managing agent, CMC, was filed in April 2018. After a number of follow-ups by Ryan ULC (“**Ryan**”), the tax consultant engaged by the Wabush CCAA Parties to assist with the objection, the Monitor was informed by RQ in October 2019 that the objection had been assigned to an appeals officer. Subsequently, the Monitor and Ryan had discussions with the appeals officer in respect of the objection and the scope of RQ’s review. In December 2019, the appeals officer requested copies of all of the joint venture and ancillary agreements related to the Wabush Mines Joint Venture. On January 28, 2020, copies of the requested agreements, some dating to the 1960’s, and a summary listing thereof were transmitted to RQ. On August 21, 2020 the appeals officer requested additional information related to the legal nature of the joint venture and a detailed response was provided on October 7, 2020. Ryan informed the Monitor that the appeals officer had indicated that a response would be forthcoming before the stay extension hearing, but no response has been received as at the date of this Report;
- (j) In October 2019, RQ issued notices of assessment for payroll taxes owing by WRI, Arnaud and BLLP for 2018 in respect of amounts withheld from distributions under the Plan. All remittances of payroll taxes were made in accordance with the protocol agreed with RQ in advance of the Monitor making the interim distributions under the Plan. It appears that the remittances were not correctly matched by RQ, leading to the issuance of the notices of assessment, including penalties and interest. In October 2019, RQ informed the Monitor it would be able to swiftly resolve this issue. Despite a number of follow-ups, there has been no resolution of this matter by RQ, although RQ recently informed the Monitor that the necessary system entries are in progress; and

- (k) As noted earlier in this Report, RQ has applied \$41,520.86 of the refund relating to the 2016 and 2017 Arnaud amended income tax returns against payroll penalties and interest assessed by RQ. As noted above, those penalties and interest were assessed in respect of the remittance of payroll withholdings on the First Interim Distribution which RQ had incorrectly applied against pre-filing sales taxes owing. Accordingly, the Monitor, on behalf of the CCAA Parties, requested that the penalties and interest be cancelled and the refund issued. Despite having informed the Monitor in October 2019 that the matter would be corrected, RQ has yet to issue the refund.
37. Potential sales tax refunds of approximately \$10.9 million claimed by the CCAA Parties remain outstanding. Given the limited success that the Monitor and the CCAA Parties have had in their attempts to get the tax authorities to resolve issues on a timely basis such that the Final Distribution can be made and the CCAA Proceedings can be completed, the assistance of the Court may need to be sought to expeditiously resolve matters.

TWIN FALLS SHARES

38. Details of the CCAA Parties' interest in Twin Falls have been provided in previous reports of the Monitor, most recently in the Fifty-Fourth Report, and in materials filed with the Court by the CCAA Parties, including the Twin Falls Motion, as defined below.
39. To date, despite repeated attempts, Twin Falls and Churchill Falls have continued to be unwilling to engage in any meaningful discussions with the CCAA Parties to resolve the outstanding issues.
40. Accordingly, on November 16, 2020, the CCAA Parties filed a motion in the CCAA Proceedings (the "**Twin Falls Motion**") for relief under Sections 214 and 241 of the *Canada Business Corporations Act, R.S.C. 1985, c. C-44* (the "**CBCA**"), to be heard by the Court on a *pro forma* basis on November 27, 2020.

41. The Twin Falls Motion seeks the issuance of an Order:
- (a) Confirming Churchill Falls' liability for the maintenance obligations and environmental liabilities related to the Twinco Plant (as defined in the Twin Falls Motion) from and after July 1, 1974;
 - (b) Compelling an accounting from Twin Falls of all monies expended by Twin Falls in respect of maintenance and environmental costs that have not been reimbursed by Churchill Falls pursuant to its indemnity and maintenance obligations (collectively, the “**Reimbursable Environmental/Maintenance Costs**”);
 - (c) Directing Churchill Falls to reimburse all Reimbursable Environmental/Maintenance Costs (the amount to be reimbursed being the “**CFLCo Reimbursement**”) to Twin Falls for distribution to the shareholders as part of the winding up and dissolution of Twin Falls;
 - (d) Directing the winding up and dissolution of Twin Falls pursuant to section 214 and/or section 241(3)(l) of the CBCA and a distribution of:
 - (i) The Twinco Cash (as defined in the Twin Falls Motion) net of all reasonable fees and expenses incurred by Twinco to implement and complete its wind up and dissolution; and
 - (ii) The CFLCo Reimbursement to Twin Fall's shareholders, including WICL and WRI, on a *pro rata* basis;
 - (e) In the alternative to the wind up and dissolution of Twin Falls, directing Twin Falls and/or Churchill Falls to purchase the shares of Twin Falls held by WRI and WICL pursuant to section 214(2) and/or section 241(3)(f) of the CBCA for a purchase price equal to the amount of Wabush's pro rata share of the Twinco Cash and the CFLCo Reimbursement.

SECOND INTERIM DISTRIBUTION AND FINAL DISTRIBUTIONS

42. The ability to make the Second Interim Distribution is dependent on the satisfactory and timely resolution of the issues with CRA described earlier in this Report,
43. The timing and quantum of the Final Distribution is dependent on the resolution of the various outstanding matters in the CCAA Proceedings, including the various realization of the CCAA Parties' interests in Twin Falls, the various tax audits and the collection of tax refunds believed to be owing. The timing for resolution of these matters is uncertain and largely outside of the control of the Monitor and the CCAA Parties.

REQUEST FOR EXTENSION OF STAY PERIOD

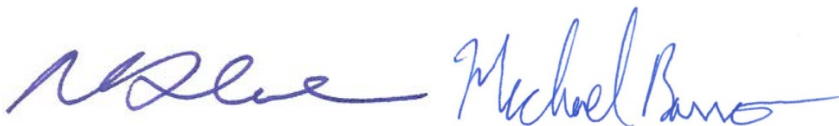
44. The Stay Period currently expires on November 30, 2020. Additional time is required for the CCAA Parties and the Monitor to complete the activities necessary to finalize the CCAA Proceedings, including the activities described earlier in this Report.
45. The CCAA Parties now seek an extension of the Stay Period to May 31, 2021.
46. As the CCAA Parties no longer have any operations, future receipts and disbursements, other than the legal and professional costs of the CCAA Proceedings, will be *de minimis*. Accordingly, consistent with the approach taken in connection with previous extensions of the Stay Period, no weekly cash forecast has been prepared for the proposed extension of the Stay Period as such a weekly forecast would provide no meaningful information.
47. The CCAA Parties have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.

48. Based on the information currently available, the Monitor believes that creditors of the CCAA Parties would not be materially prejudiced by an extension of the Stay Period to May 31, 2021.
49. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence.
50. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay Period to May 31, 2021.

The Monitor respectfully submits to the Court this, its Fifty-Fifth Report.

Dated this 20th day of November, 2020.

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



Nigel D. Meakin
Senior Managing Director

Michael Basso
Senior Director