

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, 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

**FORTY-SEVENTH 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 Bloom Lake LP, 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 June 29, 2018.

4. On March 26, 2018, Mr. Justice Hamilton J.S.C. 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**”).
5. On April 20, 2018, Mr. Justice Hamilton J.S.C. granted an Order (the “**Original Meetings Order**”) *inter alia* accepting the filing of a joint plan of compromise and arrangement dated April 16, 2018, proposed by certain of the CCAA Parties (the “**Original Plan**”) and appointing Representative Counsel and USW Counsel as proxy holder for the Salaried Members and USW Members, respectively, for the purposes of casting the votes of the Salaried Members and the USW Members at meetings of creditors (each a “**Deemed Proxy**”), all subject to the right of Salaried Members and USW Members to opt-out of the Deemed Proxy.
6. Following discussions with various stakeholder groups, the Original Plan was amended and on May 18, 2018, Mr. Justice Hamilton J.S.C. granted an Order amending and restating the Original Meetings Order (the “**Amended Meetings Order**”) *inter alia*:
 - (a) Accepting the filing of the amended and restated joint plan of compromise and arrangement dated May 16, 2018 (the “**Plan**”) proposed by certain of the CCAA Parties;
 - (b) Approving the limited substantive consolidation of certain estates for the purposes of the Plan;
 - (c) Approving the classification of creditors for the purposes of voting on and receiving distributions under the Plan;
 - (d) Authorizing the convening of meetings of creditors to consider and vote on the Plan (collectively, the “**Creditors’ Meetings**”); and

- (e) Confirming the Deemed Proxies and requiring that Representative Counsel and USW Counsel cast the votes of the Salaried Members and the USW Members in favour of the Plan, all subject to the right of Salaried Members and USW Members to opt-out of the Deemed Proxy.
7. On May 24, 2018, the Monitor filed its Forty-Sixth Report (the “**Forty-Sixth Report**”), which included a description of the Plan and the Monitor’s assessment thereof. A copy of the Forty-Sixth Report is attached hereto as **Appendix A** for ease of reference.
8. To date, the Monitor has filed forty-six reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Forty-Seventh 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 March 10 to June 20, 2018;
 - (b) The CCAA Parties’ current cash balances;
 - (c) The progress of the Claims Procedure;
 - (d) The progress of the Post-Filing Claims Procedure;
 - (e) Other remaining matters to be completed in the CCAA Proceedings;
 - (f) The Participating CCAA Parties’ request for an Order pursuant to section 6 of the CCAA for sanction of the Plan (the “**Sanction Order**”) and the Monitor’s recommendation thereon;
 - (g) The CCAA Parties’ request for an extension of the Stay Period to November 30, 2018, and the Monitor’s recommendation thereon;
 - (h) The USW’s motion for leave to file a late claim (the “**USW Late Claim Motion**”); and

- (i) Representative Counsel's motion (the "**Rep Counsel Fee Motion**") for approval of:
 - (i) Fees in excess of the limit provided for in the Order for Legal Costs granted April 16, 2018 (the "**Sixth Rep Fee Order**"); and
 - (ii) Fees for the balance of the Representative Counsel mandate in the CCAA Proceedings.

TERMS OF REFERENCE

- 9. 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**").
- 10. 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.
- 11. The Monitor has prepared this Report in connection with the CCAA Parties' motions for the Sanction Order and an extension of the Stay Period, scheduled to be heard June 29, 2018, and should not be relied on for other purposes.
- 12. 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.

13. 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.

EXECUTIVE SUMMARY

REQUEST FOR SANCTION ORDER

14. The Plan has been approved by the Required Majorities of each Unsecured Creditor Class.
15. In summary, and for the reasons set out in this Report, it is the Monitor's view that:
 - (a) There is no aspect of the Plan that is not in compliance with statutory requirements and the Participating CCAA Parties have adhered to previous orders of the Court made in the CCAA Proceedings;
 - (b) Nothing has been done or purported to be done that is not authorized by the CCAA; and
 - (c) The Plan is fair and reasonable.
16. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the Participating CCAA Parties' request for sanction of the Plan.

REQUEST FOR EXTENSION OF STAY PERIOD

17. In summary, and for the reasons set out in this Report, it is the Monitor's view that:
 - (a) The CCAA Parties have acted, and are acting, in good faith and with due diligence;
 - (b) Circumstances exist that make an extension of the Stay Period appropriate; and
 - (c) Creditors of the CCAA Parties would not be materially prejudiced by an extension of the Stay Period to November 30, 2018.

18. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay Period to November 30, 2018.

USW LATE CLAIM MOTION

19. In summary, and for the reasons set out in this Report, the Monitor has no objection to the USW Late Claim Motion.

REP COUNSEL FEE MOTION

20. In summary, and for the reasons set out in this Report, the Monitor supports the Rep Counsel Fee Motion.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO JUNE 20, 2018

21. The CCAA Parties' actual cash flow on a consolidated basis for the period from March 10 to June 20, 2018, is summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Receipts	808	340
Disbursements:		
Payroll & Employee Benefits	0	0
Termination & Severance	0	0
Utilities	0	0
Other Operating Disbursements	(17)	(12)
Operating Cash Flows	791	328
Tax Refunds/(Payments)	1,098	6,374
Restructuring Professional Fees	(3,083)	(1,436)
Net Cash Flow	(1,194)	5,266

CURRENT CASH BALANCES

22. As previously reported, all of the CCAA Parties' accounts have now been closed and all transactions are being processed through the Monitor's accounts on behalf of the CCAA Parties. Total cash balances as at June 20, 2018, are summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties	Total
	\$000	\$000	\$000
Held by Monitor			
Sale Proceeds Accounts	44	111	155
Operating Accounts	1,614	705	2,319
DPS Funds	148	0	148
Non-Filed Affiliate Cash Contribution ¹	19,000	0	19,000
GIC Investments	99,130	50,420	149,550
Total Held by Monitor	119,936	51,236	171,172

¹Funded and held pursuant to the Plan.

THE CLAIMS PROCEDURE

CLAIMS

23. The current status of the Claims Procedure is summarized below:

	Allowed/To Be Allowed		In Progress		In Dispute		To be Disallowed / Dispute Period Not Expired		Disallowance Final	
	#	\$000	#	\$000	#	\$000	#	\$000	#	\$000
Secured										
CQIM	3	66,194	1	194	-	-	-	-	9	104,721
Bloom Lake LP	20	143,495	1	20,409	2	3,661	2	7,137	15	119,539
Bloom Lake GP	1	1,001	-	-	-	-	1	26,415	5	1,483
Quinto Mining	-	-	-	-	-	-	-	-	-	-
8568391 Canada	-	-	-	-	-	-	-	-	1	161
Bloom Lake Railway	-	-	-	-	-	-	-	-	-	-
Wabush Mines	3	56,861	2	251	-	-	1	15	1	25,774
WICL	1	8,863	1	239	-	-	-	-	-	-
WRI	1	8,863	1	2,847	-	-	1	1,936	-	-
Arnaud Railway	2	56,022	1	390	-	-	1	242	-	-
Wabush Lake Railway	-	-	-	-	-	-	-	-	2	56,022
Total Secured	31	341,299	7	24,330	2	3,661	6	35,745	33	307,701
Unsecured										
CQIM	73	1,890,377	-	-	-	-	1	6,541	20	37,449
Bloom Lake LP	203	1,350,219	-	-	-	-	1	6,338	77	73,190
Bloom Lake GP	5	590,830	-	-	-	-	-	-	13	27,041
Quinto Mining	5	16,952	-	-	-	-	-	-	11	100
8568391 Canada	-	-	-	-	-	-	-	-	9	25
Bloom Lake Railway	-	-	-	-	-	-	-	-	10	-
Wabush Mines	1,005	224,467	-	-	-	-	-	-	892	1,689,443
WICL	18	393,531	-	-	-	-	-	-	16	62,065
WRI	20	727,490	-	-	-	-	-	-	14	66,039
Arnaud Railway	351	53,393	-	-	-	-	-	-	479	13,955
Wabush Lake Railway	1	1,562	-	-	-	-	-	-	408	92,150
Total Unsecured	1,681	5,248,822	-	-	-	-	2	12,879	1,949	2,061,457
Total	1,712	5,590,121	7	24,330	2	3,661	8	48,625	1,982	2,369,158

Notes:

- Quantum of Secured Claims subject to net value of collateral pursuant to Allocation Methodology.
- Unsecured Claims excludes deficiency on Secured Claims.
- Assumes Plan is implemented.

24. The seven claims in progress are municipal tax claims by three creditors in the aggregate amount of approximately \$24.3 million. As previously reported, a number of municipal tax contestations are being pursued that could result in reductions in the pre-filing claims if successful.

25. The six claims in dispute in the aggregate amount of approximately \$3.7 million are Construction Hypothec Claims. The quantum of those claims has been finally determined but the validity of the hypothec remains in dispute. That issue may be moot, depending on the final determination of the appeal of the Allocation Methodology Order by the City of Fermont¹. The Monitor is therefore awaiting the final determination of the appeal before undertaking any further steps on these disputes.

Pension Claims

26. Subject to the implementation of the Plan:
- (a) The only allowed claim in respect of the Wabush Salaried Pension Plan will be an unsecured claim in the amount of \$27,341,000, being the amount of the wind-up deficit as at December 16, 2015 as set out in the wind-up report filed by the Pension Administrator and approved by the relevant regulators;
 - (b) The only allowed claim in respect of the Wabush Hourly Pension Plan will be an unsecured claim in the amount of \$28,681,492, being the amount of the wind-up deficit as at December 16, 2015 as set out in the wind-up report filed by the Pension Administrator and approved by the relevant regulators;
 - (c) The Pension Claims will be Affected Unsecured Claims under the Plan;
 - (d) All appeals in respect of the Pension Priority Decision will be discontinued; and
 - (e) All appeals of the Newfoundland Reference Decision will be discontinued.

OPEB Claims

27. Subject to the implementation of the Plan, the OPEB/Other Employee Claims will be allowed in the following aggregate amounts:

¹ The appeal by the City of Fermont was denied by the Québec Court of Appeal. The City of Fermont has sought leave to appeal to the Supreme Court of Canada. The CCAA Parties and the Monitor intend to file a response in contestation of the application for leave.

- (a) Salaried Members - \$26,090,100.33 against the Wabush Mines Parties; and
- (b) USW Members - \$66,464,149.19 against the Wabush Mines Parties, \$24,882,727.16 against Arnaud and \$100,000.00 against the Bloom Lake Parties.

Related Party Claims

- 28. Subject to the implementation of the Plan, the Related Party Claims will be allowed in the amounts set out in schedules B, C and D to the Plan.

THE POST-FILING CLAIMS PROCEDURE

- 29. Twenty-two Post-Filing Proofs of Claim² and one D&O Post-Filing Proof of Claim were filed by the Post-Filing Claims Bar Date³, summarized as follows:

CCAA Party	Post-Filing Claims		D&O Post-Filing Claims	
	Number	\$000	Number	\$000
CQIM	5	271.6		
BLGP	2	13,817.6		
BLLP	4	12,137.8		
Arnaud	4	222.3		
Wabush Mines	6	350.1	1	30.0
8568391	1	0.2		
Total	22	26,799.6	1	30.0

- 30. The Monitor, in consultation with the CCAA Parties and D&O Counsel is in the process of reviewing the Post-Filing Proofs of Claim and the D&O Post-Filing Proof of Claim. To the extent that any of the Post-Filing Claims are determined to be valid, the applicable amounts will be paid by the CCAA Parties.

² Including the post-filing claims of City of Fermont which were filed in the Claims Procedure and which the Monitor had agreed did not need to be re-filed in the Post-Filing Claims Procedure.

³ Originally eighteen Post-Filing Proofs of Claim and three D&O Post-Filing Proofs of Claim were filed. One claimant that filed two D&O Post-Filing Proofs of Claim subsequently confirmed that they had intended to file Post-Filing Proofs of Claim, not D&O Post-Filing Proofs of Claim.

OTHER MATTERS TO BE COMPLETED IN THE CCAA PROCEEDINGS

31. Apart from final resolution of the outstanding claims described earlier in this Report and the implementation of the Plan, if sanctioned by the Court, the major matters to be completed in the CCAA Proceedings are summarized as follows:
- (a) The proposed sale of vacant land to the Town of Wabush, which has been agreed in principle;
 - (b) The proposed sale of the remaining conditional sale homes, which has been agreed in principle;
 - (c) The proposed sale of the NSR, which has been agreed in principle;
 - (d) The CRA and QRA tax audits and collection of any remaining refund amounts owing to the CCAA Parties;
 - (e) The municipal tax assessment appeals, or settlement thereof;
 - (f) Final determination of the appeal of the Allocation Methodology Order by the City of Fermont;
 - (g) Determination of entitlement to and, subject to any necessary Order of the Court, distribution of the funds held in respect of the DSP, as described in the Monitor's Forty-Third Report; and
 - (h) Collection of any amount recoverable from the FX Class Action Claims (as defined below) and thereon.

THE FX CLASS ACTION CLAIM

32. CQIM, Bloom Lake LP, Wabush Mines and WRI⁴ have filed claims (collectively, the “**FX Class Action Claims**”) in respect of a class action settlement in respect of an action in the United States District Court, Southern District of New York (the “**US Court**”), entitled *In re. Foreign Exchange Benchmark Rates Antitrust Litigation*⁵ (the “**FX Class Action**”).
33. The FX Class Action alleges that certain financial institutions:
- (a) Conspired to fix prices in the foreign exchange market in violation of the *Sherman Antitrust Act*; and
 - (b) Engaged in manipulation with respect to the foreign exchange market in violation of the *Commodity Exchange Act*.
34. The US Court has preliminarily approved settlements that would provide for settlement payments in the aggregate amount of approximately \$2.3 billion (the “**Preliminary Settlements**”).
35. Pursuant to the process approved for the adjudication of claims in the FX Class Action, the Claims Administrator will deliver to each of CQIM, Bloom Lake LP, Wabush Mines and WRI a Claim Assessment Notification providing its assessment of the Eligible Participation Amount for each such claimant based on the records provided by the financial institutions, which assessment may be accepted or disputed by the claimants. Claim Assessment Notifications have not yet been received.

⁴ CQIM, Bloom Lake LP, Wabush Mines and WRI are not plaintiffs in the FX Class Action but may have claims as members of the class.

⁵ Case number 1:13-cv-07789-LGS

36. The Preliminary Settlements provide a formula for the calculation of the Eligible Participation Amount of a claimant, but it is not possible for the Monitor to determine what amount might be recovered by CQIM, Bloom Lake LP, Wabush Mines or WRI until they receive the Claim Assessment Notifications from the Claims Administrator and the Claims Administrator has calculated each claimant's share of the settlement funds. However, the CCAA Parties have informed the Monitor that they do not expect any recovery to be material.

THE CCAA PARTIES' REQUEST FOR THE SANCTION ORDER

AMENDMENTS TO THE PLAN

37. As noted earlier in this Report, the Monitor provided a description of the Plan and the Monitor's assessment in its Forty-Sixth Report.

38. Paragraph 5 of the Amended Meetings Order states:

“5. ORDERS that the Participating CCAA Parties, with the consent of the Parent and the Monitor, are authorized, prior to and after the Meetings (and both prior to and subsequent to obtaining the Sanction Order), to file any amendment, restatement, modification of or supplement to, the Plan (each 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. Any such Plan Modification shall for all purposes, be and be deemed to form part of and be incorporated into the Plan.”

39. Pursuant to paragraph 5 of the Amended Meetings Order, on June 21, 2108, the Plan was amended as follows:

- (a) In recital B, the date “April 27, 2015,” has been replaced with “May 20, 2015,” to correct the date of the Wabush Initial Order;
 - (b) The words “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” have been added to section 5.8 to address comments from Canada Revenue Agency by providing greater certainty to the intent of the term “in accordance with ... the CCAA.”;
 - (c) In section 7.2(b), the term “ITA”, which was undefined, has been replaced with “*Income Tax Act (Canada)*”; and
 - (d) The words “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.” have been added to the “for greater certainty” paragraph of section 10.1(c) to address comments from Canada Revenue Agency.
40. In the view of the Monitor and the Participating CCAA Parties, each of these amendments is to cure an error or ambiguity and has no impact on the financial or economic interests of the Affected Creditors.
41. Pursuant to paragraph 6 of the Amended Meetings Order, the Plan Modification was posted on the Monitor’s Website on June 21, 2018, and notice was provided to the Service List. A copy of the Plan Modification showing the changes against the Plan is attached hereto as **Appendix B**.

APPROVAL OF THE PLAN BY AFFECTED CREDITORS

Notice of Creditors’ Meetings and Sanction Hearing

42. Notice of the Creditors’ Meetings and the Sanction Hearing was provided in accordance with the provisions of the Amended Meetings Order as follows:

- (a) On May 25, 2018, the Monitor sent copies of the Notice of Creditors' Meetings and Sanction Hearing, the Creditor Letter, the Proxy, the Resolution, the Plan, the Amended Meetings Order and the Monitor's Forty-Sixth Report (collectively, the "**Meeting Materials**"), in English and French, to each Affected Unsecured Creditor, other than Employee Creditors;
- (b) On May 25, 2018, the Monitor sent copies of the Employee Creditor Letters, in English and French, to each Employee Creditor;
- (c) On May 25, 2018, the Monitor posted an electronic copy of the Meeting Materials and the Employee Creditor Letters, in English and French, on the Website; and
- (d) On May 25, 2018, the Monitor's Counsel sent, in English and French, a copy of the Meeting Materials and the Employee Creditor Letters to the Service List.

MEETING OF THE UNSECURED CREDITOR CLASSES

43. The meetings of the Unsecured Creditor Classes were held for the purposes of allowing the Affected Unsecured Creditors in each Unsecured Creditor Class to consider and vote on the Plan as follows:
- (a) The meeting of the CQIM/Quinto Unsecured Creditor Class (the "**CQIM/Quinto Meeting**") was held at 9:30 a.m. on June 18, 2018;
 - (b) The meeting of the BL Parties Unsecured Creditor Class (the "**BL Parties Meeting**") was held at 9:30 a.m. on June 18, 2018;
 - (c) The meeting of the Wabush Mines Unsecured Creditor Class (the "**Wabush Mines Meeting**") was held at 11:00 a.m. on June 18, 2018;
 - (d) The meeting of the Arnaud Unsecured Creditor Class (the "**Arnaud Meeting**") was held at 11:00 a.m. on June 18, 2018;

- (e) The meeting of the Wabush Pension Claims Class (the “**Wabush Pension Meeting**”) was held at 11:30 a.m. on June 18, 2018; and
 - (f) The meeting of the Arnaud Pension Claims Class (the “**Arnaud Pension Meeting**”) was held at 11:30 a.m. on June 18, 2018.
44. Each Creditors’ Meeting was chaired by Nigel Meakin, a representative of the Monitor, and was conducted in accordance with the provisions of the Amended Meetings Order. A quorum was present for each Creditors’ Meeting.
45. Pursuant to the Amended Meetings Order, the Monitor appointed two scrutineers for the supervision and tabulation of the attendance, quorum, and votes cast at each Creditors’ Meeting. A representative from the Monitor’s counsel was appointed to act as secretary at each Creditors’ Meeting.
46. The Resolution to approve the Plan was made and seconded at each Creditors’ Meeting. Pursuant to the Amended Meetings Order, the Monitor kept a separate record and tabulation of votes cast by Affected Unsecured Creditors holding Unresolved Voting Claims.
47. The Affected Unsecured Creditors voted as follows:

CQIM/Quinto Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	10	\$565,899,051	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	10	\$565,899,051	100.00%	100.00%

Note - There are no Unresolved Claims that voted in the CQIM/Quinto Unsecured Creditors Class

BL Parties Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	22	\$546,752,087	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	22	\$546,752,087	100.00%	100.00%
Voting Claims + Unresolved Voting Claims:				
Voting For	25	\$574,298,065	96.15%	95.97%
Voting Against	1	\$24,118,845	3.85%	4.03%
Total Voting + Unresolved Voting Claims	26	\$598,416,910	100.00%	100.00%

Wabush Mines Parties Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	937	\$149,271,602	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	937	\$149,271,602	100.00%	100.00%

Note - There are no Unresolved Claims that voted in the Wabush Mines Parties Unsecured Creditors Class

Arnaud Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	341	\$24,882,727	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	341	\$24,882,727	100.00%	100.00%

Note - There are no Unresolved Claims that voted in the Arnaud Unsecured Creditors Class

Wabush Pension Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	2	\$56,022,492	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	2	\$56,022,492	100.00%	100.00%

Note - There are no Unresolved Claims in the Wabush Pension Claims Class

Arnaud Pension Meeting	Number	Value	% Number	% Value
Voting Claims:				
Voting For	2	\$56,022,492	100.00%	100.00%
Voting Against	0	\$0	0.00%	0.00%
Total Voting Claims	2	\$56,022,492	100.00%	100.00%

Note - There are no Unresolved Claims in the Arnaud Pension Claims Class

48. Pursuant to Section 6 of the CCAA, a majority in number representing two-thirds in value of creditors present and voting at a meeting of creditors is required for the approval of a plan of compromise or arrangement. As shown above, the Required Majorities were achieved at each Creditors' Meeting and, accordingly, the Plan was approved by the Affected Unsecured Creditors. Also as shown above, the votes cast by Eligible Voting Creditors in respect of Unresolved Voting Claims did not affect the results of the vote of any Class.

REQUEST FOR THE SANCTION ORDER

49. As shown in Exhibit R-2 to the Participating CCAA Parties' Motion for the Issuance of a Sanction Order dated June 18, 2018, a number of changes have been made to the form of Sanction Order that was attached as Schedule "E" to the Plan. The majority of those changes are not substantive and have been made for clarity purposes.

50. Certain of the changes to the proposed form of Sanction Order have been made to address comments made by Canada Revenue Agency, as follows⁶:

- (a) Paragraph 22 has been added to clarify that the Monitor, on behalf of the Participating CCAA Parties, is authorized and directed to remit any amounts withheld pursuant to any Withholding Obligation under the Plan⁷;
- (b) Paragraph 27 has been amended to remove the finding that the Monitor, in making distributions, disbursements or payments under the Plan, will be acting solely as disbursing agents without obligation to obtain tax clearance certificates, as the Monitor will rely on the condition of the Plan that it shall have received such clearance certificates or comfort letters as it considers necessary or advisable to address that issue;

⁶ Paragraph references are those in the revised proposed form of Sanction Order.

⁷ The Monitor is in discussions with Canada Revenue Agency and Revenu Québec to confirm the applicable Withholding Obligations. Distributions and payments under the Plan will only be made once the appropriate confirmations have been received from Canada Revenue Agency and Revenu Québec.

- (c) Paragraph 29 has been amended to specifically reference the six-month period provided for in section 6(3) of the CCAA; and
 - (d) Paragraph 42 has been added to confirm, for greater certainty, that the Non-Filed Affiliates shall not be released from 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.
51. Pursuant to section 11.2 of the Plan, the Sanction Order must be substantially in the form attached as Schedule “E” to the Plan, as may be amended with the consent of the Participating CCAA Parties, the Parent and the Monitor. The Participating CCAA Parties, the Parent and the Monitor have each consented to the amendments to the proposed form of Sanction Order.
52. The leading case of *Re Northland Properties Ltd.*⁸ and subsequent jurisprudence articulate that for a plan of arrangement or compromise to be sanctioned pursuant to the CCAA, the following three tests must be met:
- (a) There has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
 - (b) Nothing has been done or purported to have been done that is not authorized by the CCAA; and
 - (c) The plan is fair and reasonable.

⁸ (1989), 73 C.B.R. (N.S.) 195, 34 B.C.L.R. (2d) 122, [1989] 3 W.W.R. 363 (C.A.)

STATUTORY COMPLIANCE AND ADHERENCE TO PREVIOUS COURT ORDERS

Statutory Compliance

53. The CCAA contains a number of provisions with which compliance is required in order for a plan of compromise or arrangement to be sanctioned by the Court.
54. Section 5.1(1) of the CCAA contemplates the compromise of claims against directors but section 5.1(2) of the CCAA mandates certain exceptions. Section 10.1(a) of the Plan includes the statutory exceptions required by the CCAA in respect of the release for directors of the CCAA Parties provided for in the Plan.
55. Section 6(3) of the CCAA requires that the Plan provide for the payment in full of certain Crown claims within six months of the Sanction Order. Section 5.8 of the Plan requires that the Government Priority Claims, if any, be paid in compliance with section 6(3) of the CCAA.
56. Section 6(5) of the CCAA requires that the Plan provide for payment immediately after sanction of certain amounts owing to employees and former employees. Section 5.8 of the Plan provides that Employee Priority Claims, if any, will be paid compliance with section 6(5) of the CCAA. There are no Employee Priority Claims other than one potential claim in the amount of \$57.67 which will be subject to a motion by the USW to allow for the late filing of the claim of which that amount is part. If the USW motion is granted, the claim of \$57.67 will be paid forthwith.
57. Section 6(6) of the CCAA requires that the Plan provide for payment of certain unpaid amounts relating to pension plans and that the Court be satisfied that such claims can and will be paid. Pursuant to the settlement agreements with the Plan Administrator, there are no such claims.
58. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. Section 5.7 of the Plan provides that no payments will be made on account of equity claims.

59. Pursuant to section 19(2) of the CCAA, a plan of compromise or arrangement may not deal with any claim that relates to the debts or liabilities described in section 19(2) unless the plan explicitly provides for the compromise of such claim and the creditor holding the claim votes in favour of the plan. Section 5.12 of the Plan provides that Claims listed under section 19(2) of the CCAA (“**Section 19(2) Claims**”) shall be Affected Claims for the purposes of the 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.
60. Based on the foregoing, the Monitor is not aware of any aspect of the Plan that is not in compliance with statutory requirements.

Adherence to Previous Court Orders

61. The Monitor is not aware of any instances where the CCAA Parties have not substantially complied with the Orders granted by this Honourable Court during the CCAA Proceedings.

ACTIONS NOT AUTHORIZED BY THE CCAA

62. The Monitor is not aware of any instances where the CCAA Parties have taken or have purported to have taken any action that is not authorized by the CCAA.

FAIRNESS AND REASONABLENESS OF THE PLAN

63. In *Re Canadian Airlines Corp.*⁹, the Honourable Madam Justice Paperny, then of the Alberta Court of Queen's Bench, stated that the following are relevant considerations in determining whether a plan is fair and reasonable:
- (a) The composition of the unsecured creditors' vote;
 - (b) What creditors would receive on liquidation or bankruptcy as compared to the Plan;

⁹ (2000), 20 C.B.R. (4th) 1, leave to appeal refused, 20 C.B.R. (4th) 46 (C.A.).

- (c) Alternatives available to the Plan and bankruptcy;
- (d) Consideration of oppression of rights;
- (e) Unfairness to shareholders; and
- (f) Public interest.

Composition of the Vote

- 64. The Plan was voted on by Eligible Voting Creditors in the six Unsecured Creditor Classes. The classification of Affected Unsecured Creditors was approved by the Amended Meetings Order, which has not been appealed.
- 65. As stated in the Forty-Fourth Report of the Monitor, having considered the factors set out in section 22(2) of the CCAA with respect to classification of creditors, the Monitor is of the view that the classification of creditors as contemplated by the Amended Meetings Order and the Plan is reasonable and appropriate. As stated earlier in this Report, the Plan was approved by the Required Majorities of each Class of Affected Unsecured Creditors.

Liquidation or Bankruptcy as Compared to the Plan

- 66. As described in the Forty-Sixth Report, the Monitor has considered the question of whether bankruptcies of the CCAA Parties would be more beneficial to creditors than the implementation of the Plan and has concluded that they would not be for the following reasons:

- (a) The Non-Filed Affiliates have informed the Monitor that their proposed settlement is only available in the context of a plan of arrangement that provides for the releases that are set out in the Plan. Accordingly, the proposed settlement would not be available in the context of the bankruptcy of the Participating CCAA Parties or any of them, and the matters that would be settled through the Plan would have to be abandoned or litigated. As set out in the Forty-Sixth Report and later in this Report, the Monitor is of the view that litigation is unlikely to realize value sufficient to provide a better result for third-party creditors than the Plan;
- (b) As has been stated in previous reports of the Monitor, the CCAA Proceedings are complex and intertwined. The co-ordination of the various estates is, in the Monitor's view, critical to maximize efficiency and effectiveness. It is also the Monitor's view that a continuation of the CCAA Proceedings is, at the current time, the most efficient and effective way that such co-ordination can be achieved and that the proceedings can be completed for the benefit of all stakeholders. The bankruptcy of some or all of the Participating CCAA Parties could add additional complexity, cost and delay; and
- (c) It is also likely that any effort to bankrupt the CCAA Parties would be vigorously opposed by parties with an interest in the Pension Claims because it could prejudice priority arguments raised by such parties in the Pension Priority Proceedings. It is also possible that certain parties would dispute the view that a bankruptcy would render the Pension Claims to be unsecured claims and seek to continue the Pension Priority Proceedings even in a bankruptcy.

67. Accordingly, in the Monitor's view the Plan is overall more beneficial than a bankruptcy.

Alternatives available to the Plan and Bankruptcy

68. If the Plan is not implemented the Non-Filed Affiliates would be entitled to distributions from the estates of the Participating CCAA Parties and the Non-Filed Affiliate Distribution/Payment Contribution, Non-Filed Affiliate Distribution Pension Contribution and the Non-Filed Affiliate Cash Contribution would be unavailable to Affected Third Party Unsecured Creditors. Furthermore, the settlements of the Pension Priority Proceedings and the OPEB/Other Employee Claims would be null and void.
69. As set out in the Forty-Sixth Report, the Monitor has estimated the range of potential distributions to Affected Third Party Unsecured Creditors under the following scenarios if the Plan is not implemented and without any recovery from successful litigation in respect of Non-Filed Affiliate Transactions Claims:
- (a) Scenario 1 – low distribution to Affected Unsecured Creditors which assumes the following:
 - (i) There are no additional realizations;
 - (ii) Unresolved Claims are allowed in the amount filed; and
 - (iii) Pension Claims are determined to be subject to a deemed trust over all Wabush CCAA Parties' assets in priority to all other Claims;
 - (b) Scenario 2 – high distribution to Affected Unsecured Creditors which assumes the following:
 - (i) Incremental realizations from various tax refunds and other minor assets;
 - (ii) Unresolved Claims are allowed at the minimum potential amount; and
 - (iii) Pension Claims are unsecured claims.

70. As set out in the Forty-Sixth Report, the increase in estimated potential distributions to Affected Unsecured Creditors, other than Pension Claims, resulting from the Plan is summarized as follows:

	Scenario 1	Scenario 2
Increased Distribution \$M		
CQIM/Quinto	63.10	73.17
BL Parties	4.12	2.83
Wabush Mines Parties	12.56	10.84
Arnaud	4.93	0.45
Total	84.71	87.29
% Increase		
CQIM/Quinto	337.79%	349.93%
BL Parties	31.67%	13.55%
Wabush Mines Parties	∞	278.66%
Arnaud	∞	8.89%

71. The estimated distribution on account of the Pension Claims, if the Plan is not approved and implemented, would be approximately \$48 million in Scenario 1 if all of the deemed trust arguments were successful in their entirety in the Pension Priority Proceedings and approximately \$11 million in Scenario 2, which assumes no deemed trust. However, if the deemed trust arguments were unsuccessful in Scenario 1, the estimated distributions on account of the Pension Claims would be approximately \$9 million.
72. If the Plan is not approved and implemented, the proposed settlement of the Non-Filed Affiliate Transactions Claims would not proceed and CQIM or its creditors would either have to abandon such claims or to pursue recovery through litigation.

73. As set out in the Forty-Sixth Report, the Monitor has estimated the amount that would have to be recovered through successful litigation in respect of the Non-Filed Affiliate Transactions Claims in order to obtain an equivalent increase in estimated distributions as that provided by the Plan. In making that estimate, the Monitor has assumed that transactions in question are voided, for example as preferences under section 95 of the *Bankruptcy and Insolvency Act*, such that realizations are increased (either through a return and sale of the assets or a monetary award) and the reduction of the claims of the Non-Filed Affiliates that resulted from the Non-Filed Affiliate Transactions Claims is reversed.
74. On that basis, the Monitor estimates that the amounts that would have to be recovered from any litigation in respect of the Non-Filed Affiliate Transactions Claims in order to obtain an equivalent increase in estimated distributions to Affected Third Party Unsecured Creditors as that provided by the Plan are as follows:
- (a) Scenario 1 – approximately \$285 million; and
 - (b) Scenario 2 – approximately \$315 million.
75. While the Monitor is of the view that the Non-Filed Affiliate Transactions Claims are strong, there is always risk that litigation would not be successful. The Monitor has been informed by the Non-Filed Affiliates that they deny that there is any liability for the Non-Filed Affiliate Transaction Claims and that they would vigorously defend any litigation in respect thereof. Accordingly, there would be significant risk, time and expense associated with litigating such claims. Of particular significance would be the issue of the valuation of the assets that were transferred and debate over the applicable date for such valuation.

76. Successful litigation may result in a voiding of the transactions or a monetary award. If the transactions were to be voided, the assets, consisting of cash and shares, would revert to the CCAA Parties. In that case, cash may or may not be traceable and collectable and the CCAA Parties would have to endeavour to sell the shares of the Australian subsidiary which is likely to be unsuccessful given the current status of the Australian subsidiary and its operations. If litigation resulted in a monetary award, there may be complexities associated with the enforcement of such award in a foreign jurisdiction and significant collection risk depending on against which of the Non-Filed Affiliates any such award is rendered.
77. The Monitor has considered these risk factors and undertaken a high-level review of the potential value of the shares of the Australian subsidiary that were transferred from CQIM and is of the view that litigation is unlikely to realize a net value sufficient to provide a better result for third-party creditors than the Plan. Furthermore, the Plan provides certainty of outcome with respect to the Non-Filed Affiliate Transactions Claims and would significantly accelerate the timing of initial distributions to Affected Third Party Unsecured Creditors.
78. If the Plan is not approved and implemented, the proposed settlement of the Related Party Claims filed pursuant to the Claims Procedure Order would not proceed and, based on the work performed to date, the Monitor would need to either:
- (a) Allow the Related Party Claims in the amounts provided for in the Plan; or
 - (b) Continue its detailed review of the transactions comprising the Related Party Claims to determine whether the amounts for which the review is not yet complete are adequately proven or whether there may be further adjustments to such claims.

79. As described in the Monitor's Thirty-Ninth Report, the Related Party Claims are extensive and complex and a significant amount of time and money has already been spent in reviewing those claims. Despite the extensive and detailed review of the Related Party Claims, only a small number of minor adjustments have been identified to date. While it is possible that further adjustments might be identified if the review work is continued, based on the materials reviewed to date, the Monitor is not aware of any evidence that would suggest that the Monitor is likely to identify further adjustments that would materially reduce the Related Party Claims. Furthermore, there would be significant cost associated with completing the review process.
80. If the Plan is not approved and implemented, the proposed settlement of the proper characterization of claims of certain Non-Filed Affiliates and certain CCAA Parties filed pursuant to the Claims Procedure Order would not proceed and any potential effort to recharacterize such claims so that they were subordinate to the claims of other unsecured creditors would either have to be abandoned or pursued through litigation.
81. The Monitor has analysed the issue of the potential recharacterization of Related Party Claims, including the likelihood of successfully litigating such issue, and the effect that recharacterization might have on potential recoveries for other unsecured creditors. The Monitor shared its analysis, considerations and views with various significant creditors or creditor constituencies in the fall of 2017. The Monitor has also considered the time and costs of completing the review of the Related Party Claims and the apparent likelihood of any material amendment to the Related Party Claims arising from the completion of the review. The Monitor is of the view that, in the circumstances of the overall settlement that would be implemented through the Plan, settling the Related Party Claims at the amounts provided for in the Plan, without recharacterization, is reasonable and appropriate in the circumstances.
82. If the Plan is not approved and implemented, the settlement of the OPEB/Other Employee Claims would be null and void and it would be possible that significant additional time and expense may be required to obtain a final determination of those Claims.

83. If the Plan is not approved and implemented, the settlement of the Pension Priority Proceedings would be null and void and the appeals to the Quebec Court of Appeal in respect of the Pension Priority Decision, and to the Supreme Court of Canada in respect of the Newfoundland Reference Decision, would proceed. Such appeals would require significant time and expense by all parties and would significantly delay distributions to Affected Unsecured Creditors of the Wabush CCAA Parties, including the Pension Claims.

Oppression

84. In the view of the Monitor, there does not appear to be any aspect of the Plan that materially prejudices or materially disregards the interests of creditors or existing shareholders such that oppression would arise from the implementation of the Plan.

Fairness to Shareholders

85. Pursuant to the Plan, all Equity Claims will be cancelled and extinguished for no consideration. Equity Interests will be unaffected by the Plan.
86. The Participating CCAA Parties are insolvent and Affected Unsecured Creditors face a significant shortfall on their indebtedness. Consequently, the shareholders of the Participating CCAA Parties, in such capacity, have no apparent economic interest in the Participating CCAA Parties. Furthermore, there are no apparent alternatives that would provide the shareholders of the Participating CCAA Parties any value for their Equity Interests. Accordingly, there is no apparent unfairness to the shareholders of the Participating CCAA Parties from the implementation of the Plan.

Public Interest

87. It is the Monitor's view that there is nothing in respect of the implementation of the Plan that could be considered to be contrary to the public interest.

THE MONITOR'S CONCLUSION AND RECOMMENDATION

88. As described earlier in this Report, for a plan of arrangement or compromise to be sanctioned pursuant to the CCAA, the following three tests must be met:

- (a) There has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
- (b) Nothing has been done or purported to have been done that is not authorized by the CCAA; and
- (c) The plan is fair and reasonable.

89. In the Monitor's view:

- (a) The Plan has been approved by the Required Majorities of each Class of Affected Unsecured Creditors;
- (b) There has been compliance with all requirements of the CCAA and the Participating CCAA Parties have adhered to previous Orders of the Court made in the CCAA Proceedings;
- (c) Nothing has been done or purported to be done that is not authorized by the CCAA; and
- (d) The Plan is fair and reasonable.

90. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the Participating CCAA Parties' request for sanction of the Plan.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

91. The Stay Period currently expires on June 29, 2018. Additional time is required for the CCAA Parties and the Monitor to complete the CCAA Proceedings, including the following activities:

- (a) Implement the Plan, if the Sanction Order is granted by the Court, and make the payments and distributions provided for in the Plan;

- (b) Completing activities necessary to deal with the remaining assets of the CCAA Parties, including the potential tax refunds;
 - (c) Continuing to address, to the extent necessary and appropriate, the CRA ITA Audit;
 - (d) Continuing the pending proceedings with respect to municipal tax evaluations or negotiating settlements thereof;
 - (e) Completing the Claims Procedure and Post-Filing Claims Procedure;
 - (f) Completing the other activities described in this Report; and
 - (g) Undertaking the other activities necessary to complete the CCAA Proceedings.
92. The continuation of the stay of proceedings is necessary to provide the stability needed to complete the foregoing activities. Accordingly, the CCAA Parties now seek an extension of the Stay Period to November 30, 2018.
93. 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 the previous extension 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.
94. The CCAA Parties have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.
95. 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 November 30, 2018.

96. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
97. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay Period to November 30, 2018.

USW LATE CLAIM MOTION

98. The USW Late Claim Motion seeks leave to file a late claim in the Claims Procedure on behalf of Ms. Lucie Lévesque. The claim results from proceedings before the Tribunal Administratif du Travail (CM:2015-5555) and the Pay Equity Commission (CES-305.5-1-12717) in respect of the pay equity program implemented pursuant to the *Pay Equity Act*, R.S.Q. c. E-12.001. The claim, if allowed, would include an Employee Priority Claim of \$57.67 and an unsecured claim of \$8,845.67 against the Wabush Mines Parties (collectively, the "**Pay Equity Claim**").
99. While the CCAA Parties are of the view that there is no liability in respect of the pay equity program, given the quantum of the Pay Equity Claim, neither the CCAA Parties nor the Monitor intend to dispute the Pay Equity Claim.
100. Accordingly, the Monitor has no objection to the USW Late Claim Motion.

REP COUNSEL FEE MOTION

101. On June 19, 2018, Representative Counsel filed the Rep Counsel Fee Motion for approval of:
 - (a) Fees in excess of the limit provided for in the Sixth Rep Fee Order; and
 - (b) Fees for the balance of the Representative Counsel mandate in the CCAA Proceedings.

102. For the period April 1 to June 29, 2018, aggregate fees of Representative Counsel, excluding disbursements and taxes, were \$338,103, exceeding the limit of \$255,000 provided for in the Sixth Rep Fee Order by \$83,103 (32.6%).
103. As described in the Rep Counsel Fee Motion, Representative Counsel, together with the Monitor, the CCAA Parties, USW Counsel and the Non-Filed Affiliates, expended a significant amount of effort in the period. The efforts of the parties ultimately resulted in the resolution of all the employee-related matters in the CCAA Proceedings and the Plan having the support of the Represented Employees, the USW and the Pension Administrator. As described earlier in this Report, the received the overwhelming approval of the Affected Unsecured Creditors at the Creditors' Meetings.
104. While the fees of Representative Counsel were in excess of the limit provided in the Sixth Rep Fee Order, the implementation of the Plan and the resolution of all the employee-related matters will result in significant savings in respect of potential future fees.
105. In the Monitor's view, there will be little requirement for future activity under the Representative Counsel mandate if the Plan is sanctioned by the Court. However, it is possible that Representative Counsel may need to provide services on an *ad hoc* basis.
106. In the Monitor's view, future fees of Representative Counsel should likely be significantly lower than the proposed limit of \$100,000 though it is possible that unexpected events could occur. Accordingly, the Monitor has no objection to the proposed limit of \$100,000 for future fees of Representative Counsel. Actual future fees of Representative Counsel would remain subject to review and approval by the Monitor.
107. Accordingly, for the reasons set out above, the Monitor supports the Rep Counsel Fee Motion.

The Monitor respectfully submits to the Court this, its Forty-Seventh Report.

Dated this 21st day of June, 2018.

FTI Consulting Canada Inc.

In its capacity as Monitor of

Bloom Lake General Partner Limited, Quinto Mining Corporation,

8568391 Canada Limited, 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
Director

Appendix A

The Forty-Sixth Report

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, 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

**FORTY-SIXTH 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 Bloom Lake LP, 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 June 29, 2018.
4. On April 20, 2018, Mr. Justice Hamilton J.S.C. granted an Order (the “**Original Meetings Order**”) *inter alia* accepting the filing of a joint plan of compromise and arrangement dated April 16, 2018, proposed by certain of the CCAA Parties (the “**Original Plan**”) and appointing Representative Counsel and USW Counsel as proxy holder for the Salaried Members and USW Members, respectively, for the purposes of casting the votes of the Salaried Members and the USW Members at meetings of creditors (each a “**Deemed Proxy**”), all subject to the right of Salaried Members and USW Members to opt-out of the Deemed Proxy.
5. Following discussions with various stakeholder groups, the Original Plan was amended and on May 18, 2018, Mr. Justice Hamilton J.S.C. granted an Order amending and restating the Original Meetings Order (the “**Amended Meetings Order**”) *inter alia*:

- (a) Accepting the filing of the amended and restated joint plan of compromise and arrangement dated May 16, 2018 (the “**Plan**”) proposed by certain of the CCAA Parties;
 - (b) Approving the limited substantive consolidation of certain estates for the purposes of the Plan;
 - (c) Approving the classification of creditors for the purposes of voting on and receiving distributions under the Plan;
 - (d) Authorizing the convening of meetings of creditors to consider and vote on the Plan (collectively, the “**Creditors’ Meetings**”); and
 - (e) Confirming the Deemed Proxies and requiring that Representative Counsel and USW Counsel cast the votes of the Salaried Members and the USW Members in favour of the Plan, all subject to the right of Salaried Members and USW Members to opt-out of the Deemed Proxy.
6. To date, the Monitor has filed forty-five reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Forty-Sixth Report (this “**Report**”), is to provide information to the Court with respect to:
- (a) The business and affairs of the CCAA Parties; and
 - (b) The Monitor’s assessment of the Plan in advance of the Creditors’ Meetings.

TERMS OF REFERENCE

7. 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**”).

8. 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.
9. The Monitor has prepared this Report in connection with the Plan and pursuant to section 23(1)(d.1) of the CCAA, and should not be relied on for other purposes.
10. 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.
11. 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, a copy of which is attached hereto as **Appendix A**.

EXECUTIVE SUMMARY

12. In summary, and for the reasons set out in this Report, it is the Monitor's view that:
 - (a) The Plan provides for higher recoveries for all Affected Unsecured Creditors than would likely be available if the Plan is not implemented, including distributions of \$18 million to each of the Hourly Pension Plan and the Salaried Pension Plan;

- (b) A bankruptcy would likely provide significantly lower recoveries to Affected Third Party Unsecured Creditors;
- (c) There is no apparent material prejudice to the Affected Unsecured Creditors generally from the limited substantive consolidation provided for by the Plan;
- (d) The Plan has additional benefits for Affected Unsecured Creditors in that it provides for:
 - (i) The resolution of significant intercompany claims between the CCAA Parties and between the CCAA Parties and Non-Filed Affiliates without the significant time and expense that would otherwise be incurred to further investigate and adjudicate such claims;
 - (ii) The resolution of the Non-Filed Affiliate Transactions Claims without the significant time and expense of litigation and the litigation and collection risks associated therewith;
 - (iii) The resolution of disputes over the priority of claims asserted in connection the Wabush Pension Plans without the significant time and expense that would otherwise be incurred to further litigate such disputes;
 - (iv) The resolution of significant claims of former employees (the “**OPEB/Other Employee Claims**”), including in respect of other post-employment benefits (“**OPEB**”) and other amounts, without the significant time and expense that would otherwise be incurred to resolve such claims; and

- (v) The acceleration of initial distributions to Affected Third Party Unsecured Creditors, including distributions to the Pension Plans;
 - (e) The Plan is fair and reasonable; and
 - (f) There is no aspect of the Plan that is not in compliance with statutory requirements.
13. Accordingly, and for the reasons set out in this Report, it is the Monitor's view that the approval of the Plan is in the best interests of Affected Unsecured Creditors and the Monitor respectfully recommends that such Affected Unsecured Creditors vote in favour of the Plan.

BUSINESS AND FINANCIAL AFFAIRS OF THE CCAA PARTIES

14. The business and affairs of the Bloom Lake CCAA Parties and the causes of their insolvency are described in their Motion for the Issuance of an Initial Order dated January 26, 2015, filed by the Bloom Lake CCAA Parties (the "**Bloom Lake Initial Motion**"). The business and affairs of the Wabush CCAA Parties and the causes of their insolvency are described in their Motion for the Issuance of an Initial Order dated May 19, 2015, filed by the Wabush CCAA Parties (the "**Wabush Initial Motion**"). Copies of the Bloom Lake Initial Motion and the Wabush Initial Motion (collectively, the "**Initial Motions**") are available on the Monitor's Website at <http://cfcanada.fticonsulting.com/bloomlake> (the "**Monitor's Website**").
15. The Monitor has reviewed the Initial Motions and discussed the business and affairs of the CCAA Parties and the causes of their insolvency with Management of the CCAA Parties and is of the view that the Initial Motions provide a fair summary thereof.

16. Substantially all of the assets of the CCAA Parties have been sold during the course of the CCAA Proceedings. Further details of the sale transactions and the business and financial affairs of the CCAA Parties are provided in previous reports of the Monitor, including the Monitor's Forty-Third Report dated March 19, 2018. Copies of the Monitor's reports are available on the Monitor's Website.

THE PLAN

17. The Plan seeks to implement the principal terms of settlements, subject to the Plan being implemented:
 - (a) Between the Participating CCAA Parties and Non-Filed Affiliates, as negotiated between the Monitor and the Non-Filed Affiliates and as set out in the restructuring term sheet dated March 14, 2018 (the "**Original Restructuring Term Sheet**") as amended and restated on May 16, 2018 (the "**Restructuring Term Sheet**"); and
 - (b) Between the Non-Filed Affiliate Employee Defendants and the plaintiffs in the Non-Filed Affiliate Employee Actions.
18. In conjunction with the Plan, the applicable parties have also agreed to settle the following matters, subject to the Plan being implemented:
 - (a) The quantification and priority of the OPEB/Other Employee Claims;
 - (b) The quantification and priority of the Pension Claims;
 - (c) The Pension Priority Appeal, which will be discontinued following implementation of the Plan; and
 - (d) The Newfoundland Reference Appeal, which will be discontinued following implementation of the Plan.

19. The Plan is a joint plan, filed by all of the CCAA Parties other than WLRC, 856 and BLRC. WLRC has no assets and its arm's length creditors are all also creditors of other CCAA Parties holding Pension Claims or OPEB/Other Employee Claims whose representatives have informed the Monitor that they support the Plan. Neither 856 nor BLRC has any creditors, as determined pursuant to the Claims Procedure and the Post-Filing Claims Procedure. It is intended that WLRC, 856 and BLRC will be dissolved.

20. Pursuant to the Plan, all amounts that are payable to the Non-Filed Affiliates on account of their secured and unsecured claims will be contributed for the benefit of the Affected Unsecured Creditors as follows:
 - (a) \$3 million to the Wabush Pension Cash Pool and \$3 million to the Arnaud Pension Cash Pool (together, the “**Non-Filed Affiliate Distribution Pension Contribution**”); and

 - (b) The balance (collectively, the “**Non-Filed Affiliate Distribution/Payment Contribution**”) for the benefit of Affected Unsecured Creditors in the CQIM/Quinto Unsecured Creditor Class, including any CCAA Parties that are creditors in that Unsecured Creditor Class. The Non-Filed Affiliate Distribution/Payment Contribution is to be contributed for the benefit of the Affected Unsecured Creditors in the CQIM/Quinto Unsecured Creditors Class because CQIM is the CCAA Party that would be entitled to assert the Non-Filed Affiliate Transactions Claims that are to be settled through the Plan.

21. As further described later in this Report, the Monitor currently estimates that the aggregate value of the Non-Filed Affiliate Distribution/Payment Contribution and the Non-Filed Affiliate Distribution Pension Contribution is likely to be in the range of approximately \$72 million to \$81 million.

22. In addition, the Non-Filed Affiliates will make an additional cash contribution of \$19 million¹ for the benefit of the Affected Unsecured Creditors in the Wabush Pension Claims Class and the Arnaud Pension Claims Class (the “**Non-Filed Affiliate Cash Contribution**”), which will be allocated as follows:
- (a) \$9.5 million to the Wabush Pension Cash Pool; and
 - (b) \$9.5 million to the Arnaud Pension Cash Pool.
23. The Plan provides for interim distributions to be made from time to time on account of Proven Affected Unsecured Claims. No distribution in respect of an Affected Unsecured Claim will be made until it is a Proven Claim.
24. An interim distribution will be made to Affected Third Party Unsecured Creditors with Proven Claims as soon as reasonably practicable after the Plan Implementation Date.

Classification of Creditors

25. For the purposes of considering and voting on the Plan and receiving a distribution thereunder, the Plan provides for six classes of creditors (each an “**Unsecured Creditor Class**”, and together the “**Unsecured Creditor Classes**”):
- (a) The CQIM/Quinto Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the CQIM/Quinto Parties;
 - (b) The BL Parties Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the BL Parties;

¹ An increase of \$14 million over the Original Plan.

- (c) The Wabush Mines Parties Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the Wabush Mines Parties, other than Affected Unsecured Creditors with Pension Claims in respect of such Claims;
 - (d) The Arnaud Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of Arnaud, other than Affected Unsecured Creditors with Pension Claims in respect of such Claims;
 - (e) The Wabush Pension Claims Class, being comprised of the Administrator of the Hourly Pension Plan and the Administrator of the Salaried Pension Plan in respect of the Pension Claims against the Wabush Mines Parties; and
 - (f) The Arnaud Pension Claims Class, being comprised of the Administrator of the Hourly Pension Plan and the Administrator of the Salaried Pension Plan in respect of the Pension Claims against Arnaud.
26. The Unsecured Creditor Classes provide for limited substantive consolidation for the purposes of the Plan of:
- (a) CQIM and Quinto to form the CQIM/Quinto Unsecured Creditor Class;
 - (b) BLGP and BLLP to form the BL Parties Unsecured Creditor Class; and
 - (c) WICL, WRI and Wabush Mines to form the Wabush Mines Parties Unsecured Creditor Class.

Payments to Secured Creditors

27. Secured Creditors will be unaffected by the Plan and are not permitted to vote on the Plan. Secured Creditors will receive payment of the Allocated Value, as determined by the Monitor in accordance with the Allocation Methodology, applicable to their Proven Secured Claim. Accordingly, Secured Creditors will receive the same amount under the Plan as they would if the Plan is not approved and implemented.
28. Amounts paid to Non-Filed Affiliates on account of Non-Filed Affiliate Secured Interco Claims (the “**Non-Filed Affiliate Secured Payments**”) will form part of the Non-Filed Affiliate Distribution/Payment Contribution.

Distributions to Unsecured Creditors

29. Affected Unsecured Creditors with Proven Claims, other than Pension Claims, will receive a pro-rata share of the applicable Unsecured Creditor Cash Pool. The Unsecured Creditor Cash Pool available to each Unsecured Creditor Class, other than the Wabush Pension Claims Class and the Arnaud Pension Claims Class, will ultimately be the net proceeds of realization of the assets of the applicable Participating CCAA Party after all costs of the CCAA Proceedings in accordance with the Allocation Methodology, less amounts paid to prior ranking or Unaffected Creditors or contributed to the Wabush Pension Cash Pool or the Arnaud Pension Cash Pool.
30. The Wabush Pension Cash Pool will be funded as follows: \$5.5 million from the Wabush Mines Parties, \$9.5 million from the Non-Filed Affiliate Cash Contribution and \$3 million from the Non-Filed Affiliate Pension Contribution. The Arnaud Pension Cash Pool will be funded as follows: \$5.5 million from Arnaud, \$9.5 million from the Non-Filed Affiliate Cash Contribution and \$3 million from the Non-Filed Affiliate Pension Contribution. The Wabush Pension Cash Pool and the Arnaud Pension Cash Pool will be distributed as follows:

	Hourly Pension	Salaried Pension	Total
	\$M	\$M	\$M
Wabush Pension Cash Pool	9	9	18
Arnaud Pension Cash Pool	9	9	18
Total	18	18	36

31. Distributions to Affected Unsecured Creditors in Classes other than the Wabush Pension Claims Class and the Arnaud Pension Claims Class will be calculated as follows:

- (a) First, a calculation of the pro-rata amounts for distribution in each Unsecured Creditor Class will be made, including the claims of Non-Filed Affiliates and other CCAA Parties, to determine the amount of Plan Non-Filed Affiliates Distribution/Payment Contribution;
- (b) Second, the applicable Unsecured Creditor Cash Pools shall be decreased to account for Plan distributions to the Non-Filed Affiliates out of each such Unsecured Creditor Cash Pool and the CQIM/Quinto Unsecured Creditor Cash Pool will be increased by the amount of the Non-Filed Affiliate Distribution/Payment Contribution. A calculation of the pro-rata amounts for distribution to Affected General Unsecured Creditors, other than Non-Filed Affiliates, in each Unsecured Creditor Class, other than the Wabush Pension Claims Class and the Arnaud Pension Claims Class, will be made, including the claims of the Participating CCAA Parties; and

- (c) Third, each Unsecured Creditor Cash Pool will be adjusted by the amount of any distributions received or paid between the applicable Participating CCAA Parties under the second step. A calculation of the pro-rata amounts for distribution to Affected General Unsecured Creditors in each Unsecured Creditor Class, other than the Wabush Pension Claims Class and the Arnaud Pension Claims Class, will be made excluding the claims of the other CCAA Parties and the claims of the Non-Filed Affiliates.
32. The effect of the aforementioned calculations is as follows:
- (a) Affected Third Party Unsecured Creditors in the CQIM/Quinto Unsecured Creditor Class will receive, in addition to the recoveries that they would otherwise receive if there was no Plan, the benefit of the Non-Filed Affiliate Distribution/Payment Contribution other than amounts that would flow to Participating CCAA Parties that are creditors of CQIM/Quinto; and
 - (b) Affected Third Party Unsecured Creditors in the other Unsecured Creditor Classes, other than the Wabush Pension Claims Class and the Arnaud Pension Claims Class, will receive, in addition to the recoveries that they would otherwise receive if there was no Plan, the benefit of any amount of the Non-Filed Affiliate Distribution/Payment Contribution that flows to those other Participating CCAA Parties by virtue of their claims in the CQIM/Quinto Unsecured Creditor Class.
33. Further analysis of the estimated benefits to Affected Third Party Unsecured Creditors in each Unsecured Creditor Class is provided later in this Report.

Treatment of Other Claims

34. Excluded Claims will not be compromised by the Plan. Excluded Claims include:

- (a) All claims against the Participating CCAA Parties in respect of obligations first arising on or after the Filing Date, other than Restructuring Claims and D&O Claims;
 - (b) Any claim secured by any CCAA Charge; and
 - (c) 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 Representative Counsel as approved by the Court to the extent required.
35. The Plan provides that certain Crown claims will be paid in compliance with section 6(3) of the CCAA.
36. The Plan provides that certain employee claims will be paid in full in compliance with section 6(5) of the CCAA. In addition, the Plan provides for the payment of amounts in excess of the amounts required to be paid under section 6(5) of the CCAA that employees may have been entitled to receive pursuant to the *Wage Earner Protection Program Act* if the applicable Participating CCAA Party had become bankrupt on the Plan Sanction Date (together with amounts payable under section 6(5) of the CCAA, the “**Employee Priority Claims**”). There are no Employee Priority Claims other than one claim in the amount of \$57.67.
37. Section 6(6) of the CCAA provides that the Court may sanction a plan only if it is satisfied that the company can and will make payment of certain amounts related to pension plans. Pursuant to claim settlement agreements executed by the Pension Administrator, there are no such amounts owing.

Releases

38. The Plan provides for broad releases (the “**BL/Wabush Releases**”) to the full extent permitted by Applicable Law for each of the CCAA Parties and their respective Directors, Officers, Employees, advisors, legal counsel and agents (collectively, the “**BL/Wabush Released Parties**”) from claims based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence:
- (a) 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
 - (b) 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).
39. The BL/Wabush Releases do not release or discharge:
- (a) Unaffected Claims;
 - (b) Any BL/Wabush Released Party if such BL/Wabush Released Party is judged by the express terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct; or
 - (c) The Directors with respect to matters set out in section 5.1(2) of the CCAA.

40. The Plan also provides for broad releases to the full extent permitted by Applicable Law in favour of the Monitor and FTI and their respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (each a “**Third Party Released Party**”). The releases in favour of the Third Party Released Parties (the “**Third Party Releases**”) do not release or discharge any Third Party Released Party if such Third Party Released Party is judged by the express terms of a judgment rendered in a Final Order to have committed criminal, fraudulent, grossly negligent or other wilful misconduct.
41. The Plan also provides for broad releases to the full extent permitted by Applicable Law in favour of the Non-Filed Affiliates and their respective current and former members, shareholders, directors, officers, employees, advisors, legal counsel and agents (each a “**Non-Filed Affiliate Released Party**”). The releases in favour of the Non-Filed Affiliate Released Parties (the “**Non-Filed Affiliate Releases**”) do not release or 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 criminal, fraudulent or other wilful misconduct.

Conditions Precedent to Implementation

42. The implementation of the Plan is subject to the following conditions precedent:
- (a) The Amended Meetings Order shall have been granted;
 - (b) Each Unsecured Creditor Class shall have approved the Plan in the Required Majority;
 - (c) The Sanction Order shall have been granted on or before June 29, 2018, or such later date as agreed by the Participating CCAA Parties, the Parent and the Monitor;

- (d) Each of the Amended 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;
- (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 Meetings Order, a fully executed Notice of Discontinuance, 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 Meetings Order, a fully executed Notice of Discontinuance, 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 Meetings Order, a fully executed Notice of Discontinuance of the Non-Filed Affiliate Employee Actions², 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; 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 MONITOR'S ASSESSMENT OF THE PLAN

JOINT PLAN AND CLASSIFICATION OF CREDITORS

43. As described earlier in this Report, the implementation of the Plan would effect a comprehensive settlement of various significant matters in the CCAA Proceedings and of the Non-Filed Affiliate Employee Actions. As described in more detail later in this Report, the implementation of the Plan would provide substantial incremental benefit to Affected Third Party Unsecured Creditors through increased recoveries and earlier distributions under the Plan. Effecting that settlement through the Plan on a joint basis significantly simplifies matters as compared to having individual plans of arrangement for each of the Participating CCAA Parties. Furthermore, there is, in the Monitor's view, no apparent material prejudice to any creditor of any of the Applicants from the Plan being a joint plan.

² The plaintiffs and the Non-Filed Affiliate Employee Defendants have confirmed their intention that the discontinuance be full and final, with prejudice and without costs.

44. As described earlier in this Report, the Plan provides for limited substantive consolidation of certain classes of unsecured creditors for the purposes of the Plan. For the reasons set out in the Monitor's Forty-Fourth Report, the Monitor is of the view that the limited substantive consolidation of certain classes of Affected Unsecured Creditors for the purposes of the Plan is reasonable and appropriate and that there is no material prejudice arising therefrom.
45. As described in the Monitor's Forty-Fourth Report, the Monitor has considered the factors set out in section 22(2) of the CCAA with respect to the classification of creditors and is of the view that the classification of Affected Unsecured Creditors as contemplated by the Plan is reasonable and appropriate.
46. As noted earlier in this Report, the limited substantive consolidation of certain estates for the purposes of the Plan and the classification of Affected Unsecured Creditors for the purposes of voting on and receiving distributions under the Plan was approved pursuant to the Amended Meetings Order.

COMPLIANCE WITH STATUTORY REQUIREMENTS

47. A plan of compromise or arrangement can only be sanctioned by the Court if, amongst other things, it complies with all statutory requirements.
48. Section 5.1(1) of the CCAA contemplates the compromise of claims against directors but section 5.1(2) of the CCAA mandates certain exceptions. Section 10.1(a) of the Plan includes the statutory exceptions required by the CCAA in respect of the release for directors of the CCAA Parties provided for in the Plan.
49. Section 6(3) of the CCAA requires that the Plan provide for the payment in full of certain Crown claims within six months of the Sanction Order. Section 5.8 of the Plan provides that the Government Priority Claims, if any, will be paid in compliance with section 6(3) of the CCAA.

50. Section 6(5) of the CCAA requires that the Plan provide for payment immediately after sanction of certain amounts owing to employees and former employees. Section 5.8 of the Plan provides that Employee Priority Claims, if any, will be paid compliance with section 6(5) of the CCAA. As noted earlier in this Report, there are no Employee Priority Claims other than one claim in the amount of \$57.67.
51. Section 6(6) of the CCAA requires that the Plan provide for payment of certain unpaid amounts relating to pension plans and that the Court be satisfied that such claims can and will be paid. As noted above, there are no such claims.
52. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. Section 5.7 of the Plan provides that no payments will be made on account of equity claims.
53. Pursuant to section 19(2) of the CCAA, a plan of compromise or arrangement may not deal with any claim that relates to the debts or liabilities described in section 19(2) unless the plan explicitly provides for the compromise of such claim and the creditor holding the claim votes in favour of the plan. Section 5.12 of the Plan provides that Claims listed under section 19(2) of the CCAA (“**Section 19(2) Claims**”) shall be Affected Claims for the purposes of the 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.
54. Based on the foregoing, the Monitor is not aware of any aspect of the Plan that is not in compliance with statutory requirements.

ESTIMATED RECOVERIES FOR AFFECTED UNSECURED CREDITORS UNDER THE PLAN

Potential Range of Amounts to be Contributed by the Non-Filed Affiliates

55. Pursuant to the Plan, the Non-Filed Affiliate Distribution/Payment Contribution will be contributed in part for the benefit of the Affected Unsecured Creditors of the CQIM/Quinto Parties, including any other CCAA Parties that are creditors of CQIM or Quinto. In addition, the Non-Filed Affiliates will make the Non-Filed Affiliate Distribution Pension Contribution and the Non-Filed Affiliate Cash Contribution for the benefit of the Pension Claims.
56. The actual amounts available for payment to Secured Creditors and Affected Unsecured Creditors, other than the Pension Claims, remains uncertain because of a variety of unresolved matters in the CCAA Proceedings, including a number of unresolved claims and potential additional realizations.
57. Accordingly, the Monitor has estimated the range of the potential amount to be contributed by the Non-Filed Affiliates using, *inter alia*, the following assumptions:
- (a) Scenario 1 – low distribution to Affected Unsecured Creditors which assumes the following:
 - (i) There are no additional realizations; and
 - (ii) Unresolved Claims are allowed in the amount filed;
 - (b) Scenario 2 – high distribution to Affected Unsecured Creditors which assumes the following:
 - (i) Incremental realizations from various tax refunds and other minor assets: and
 - (ii) Unresolved Claims are allowed at the minimum potential amount.

58. Based on the foregoing, the Monitor estimates that the potential range of aggregate secured and unsecured distributions to the Non-Filed Affiliates which under the Plan would be contributed to the CQIM/Quinto Unsecured Creditor Class in the form of the Non-Filed Affiliate Distribution/Contribution and to the Pension Plans in the form of the Non-Filed Affiliate Distribution Pension Contribution is approximately \$72 million to \$81 million.
59. Accordingly, including the Non-Filed Affiliate Cash Contribution of \$19 million, the total amount being contributed by the Non-Filed Affiliates in support of the Plan is estimated to be in the potential range of approximately \$91 million to \$100 million.

Potential Range of Distributions to Affected Third-Party Unsecured Creditors

60. The Monitor estimated the range of potential distributions to Affected Third Party Unsecured Creditors, other than Pension Claims, under the Plan under the scenarios described above. The estimated potential distributions are summarized as follows:

	Scenario 1	Scenario 2
Distribution \$M		
CQIM/Quinto	81.78	94.08
BL Parties	17.13	23.72
Wabush Mines Parties	12.56	14.73
Arnaud	4.93	5.51
Total	116.40	138.04
Distribution %		
CQIM/Quinto	11.47%	13.32%
BL Parties	2.27%	3.29%
Wabush Mines Parties	7.39%	9.33%
Arnaud	16.92%	18.90%

61. As described earlier in this Report, each of the Hourly Pension Plan and the Salaried Pension Plan will receive aggregate distributions of \$18 million under the Plan representing a distribution of 62.75% of the Pension Claims in respect of the Hourly Pension Plan and 65.84% of the Pension Claims in respect of the Salaried Pension Plan.

ALTERNATIVES TO THE PLAN AND ESTIMATED RECOVERIES

62. If the Plan is not implemented the Non-Filed Affiliates would be entitled to distributions from the estates of the Participating CCAA Parties and the Non-Filed Affiliate Distribution/Payment Contribution, Non-Filed Affiliate Distribution Pension Contribution and the Non-Filed Affiliate Cash Contribution would be unavailable to Affected Third Party Unsecured Creditors. Furthermore, the settlements of the Pension Priority Proceedings and the OPEB/Other Employee Claims would be null and void.
63. The Monitor has estimated the range of potential distributions to Affected Third Party Unsecured Creditors under the following scenarios if the Plan is not implemented and without any recovery from successful litigation in respect of Non-Filed Affiliate Transactions Claims:
- (a) Scenario 1 – low distribution to Affected Unsecured Creditors which assumes the following:
 - (i) There are no additional realizations;
 - (ii) Unresolved Claims are allowed in the amount filed; and
 - (iii) Pension Claims are determined to be subject to a deemed trust over all Wabush CCAA Parties' assets in priority to all other Claims;
 - (b) Scenario 2 – high distribution to Affected Unsecured Creditors which assumes the following:
 - (i) Incremental realizations from various tax refunds and other minor assets;
 - (ii) Unresolved Claims are allowed at the minimum potential amount; and

(iii) Pension Claims are unsecured claims.

64. The estimated potential distributions to Affected Unsecured Creditors, other than Pension Claims, if the Plan is not implemented are summarized as follows:

	Scenario 1	Scenario 2
Distribution \$M		
CQIM/Quinto	18.68	20.91
BL Parties	13.01	20.89
Wabush Mines Parties	0.00	3.89
Arnaud	0.00	5.06
Total	31.69	50.75
Distribution %		
CQIM/Quinto	2.62%	2.96%
BL Parties	1.72%	2.90%
Wabush Mines Parties	0.00%	2.46%
Arnaud	0.00%	17.36%

65. The increase in estimated potential distributions to Affected Unsecured Creditors, other than Pension Claims, resulting from the Plan is summarized as follows:

	Scenario 1	Scenario 2
Increased Distribution \$M		
CQIM/Quinto	63.10	73.17
BL Parties	4.12	2.83
Wabush Mines Parties	12.56	10.84
Arnaud	4.93	0.45
Total	84.71	87.29
% Increase		
CQIM/Quinto	337.79%	349.93%
BL Parties	31.67%	13.55%
Wabush Mines Parties	∞	278.66%
Arnaud	∞	8.89%

66. The estimated distribution on account of the Pension Claims, if the Plan is not approved and implemented, would be approximately \$48 million in Scenario 1 if all of the deemed trust arguments were successful in their entirety in the Pension Priority Proceedings and approximately \$11 million in Scenario 2, which assumes no deemed trust. However, if the deemed trust arguments were unsuccessful in Scenario 1, the estimated distributions on account of the Pension Claims would be approximately \$9 million.
67. If the Plan is not approved and implemented, the proposed settlement of the Non-Filed Affiliate Transactions Claims would not proceed and CQIM or its creditors would either have to abandon such claims or to pursue recovery through litigation.
68. The Monitor has estimated the amount that would have to be recovered through successful litigation in respect of the Non-Filed Affiliate Transactions Claims in order to obtain an equivalent increase in estimated distributions as that provided by the Plan. In making that estimate, the Monitor has assumed that transactions in question are voided, for example as preferences under section 95 of the *Bankruptcy and Insolvency Act*, such that realizations are increased (either through a return and sale of the assets or a monetary award) and the reduction of the claims of the Non-Filed Affiliates that resulted from the Non-Filed Affiliate Transactions Claims is reversed.
69. On that basis, the Monitor estimates that the amounts that would have to be recovered from any litigation in respect of the Non-Filed Affiliate Transactions Claims in order to obtain an equivalent increase in estimated distributions to Affected Third Party Unsecured Creditors as that provided by the Plan are as follows:
 - (a) Scenario 1 – approximately \$285 million; and
 - (b) Scenario 2 – approximately \$315 million.

70. While the Monitor is of the view that the Non-Filed Affiliate Transactions Claims are strong, there is always risk that litigation would not be successful. The Monitor has been informed by the Non-Filed Affiliates that they deny that there is any liability for the Non-Filed Affiliate Claims and that they would vigorously defend any litigation in respect thereof. Accordingly, there would be significant risk, time and expense associated with litigating such claims. Of particular significance would be the issue of the valuation of the assets that were transferred and debate over the applicable date for such valuation.
71. Successful litigation may result in a voiding of the transactions or a monetary award. If the transactions were to be voided, the assets, consisting of cash and shares, would revert to the CCAA Parties. In that case, cash may or may not be traceable and collectable and the CCAA Parties would have to endeavour to sell the shares of the Australian subsidiary which is likely to be unsuccessful given the current status of the Australian subsidiary and its operations³. If litigation resulted in a monetary award, there may be complexities associated with the enforcement of such award in a foreign jurisdiction and significant collection risk depending on which of the Non-Filed Affiliates any such award is rendered against.

³ In January 2018 the Parent announced that, after evaluating current and anticipated future market conditions in connection with the remaining iron ore reserves of the Australian subsidiary, including quality and the current market price for the ore, it had decided to accelerate the planned closure of mining operations in Australia, which closure was now expected to occur in 2018. In April 2018, the Parent announced that it expected that the permanent closure of Australian mining operations would occur by June 30, 2018. Factors stated to have been considered in that decision included increasingly discounted prices for lower-iron-content ore, the quality of the remaining iron ore reserves at APIO and the lack of a legitimate offer from a qualified buyer. The Parent also stated that it anticipated future cash expenditures associated with the closure of operations to be in the range of approximately US\$120 to US\$140 million.

72. The Monitor has considered these risk factors and undertaken a high-level review of the potential value of the shares of the Australian subsidiary that were transferred from CQIM and is of the view that litigation is unlikely to realize a net value sufficient to provide a better result for third-party creditors than the Plan. Furthermore, the Plan provides certainty of outcome with respect to the Non-Filed Affiliate Transactions Claims and would significantly accelerate the timing of initial distributions to Affected Third Party Unsecured Creditors.
73. If the Plan is not approved and implemented, the proposed settlement of the Related Party Claims filed pursuant to the Claims Procedure Order would not proceed and, based on the work performed to date⁴, the Monitor would need to either:
- (a) Allow the Related Party Claims in the amounts provided for in the Plan;
or
 - (b) Continue its detailed review of the transactions comprising the Related Party Claims to determine whether the amounts for which the review is not yet complete are adequately proven or whether there may be further adjustments to such claims.
74. As described in the Monitor's Thirty-Ninth Report, the Related Party Claims are extensive and complex and a significant amount of time and money has been spent in reviewing those claims. Despite the extensive and detailed review of the Related Party Claims, only a small number of minor adjustments have been identified to date. While it is possible that further adjustments might be identified if the review work is continued, based on the materials reviewed to date, the Monitor is not aware of any evidence that would suggest that the Monitor is likely to identify further adjustments that would materially reduce the Related Party Claims. Furthermore, there would be significant cost associated with completing the review process.

⁴ Such work having been described in the Monitor's Thirty-Ninth Report.

75. If the Plan is not approved and implemented, the proposed settlement of the proper characterization of claims of certain Non-Filed Affiliates and certain CCAA Parties filed pursuant to the Claims Procedure Order would not proceed and any potential effort to recharacterize such claims so that they were subordinate to the claims of other unsecured creditors would either have to be abandoned or pursued through litigation.
76. The Monitor has analysed the issue of the potential recharacterization of Related Party Claims, including the likelihood of successfully litigating such issue, and the effect that recharacterization might have on potential recoveries for other unsecured creditors. The Monitor shared its analysis, considerations and views with various significant creditors or creditor constituencies in the fall of 2017. The Monitor has also considered the time and costs of completing the review of the Related Party Claims and the apparent likelihood of any material amendment to the Related Party Claims arising from the completion of the review. The Monitor is of the view that, in the circumstances of the overall settlement that would be implemented through the Plan, settling the Related Party Claims at the amounts provided for in the Plan, without recharacterization, is reasonable and appropriate in the circumstances.
77. If the Plan is not approved and implemented, the settlement of the OPEB/Other Employee Claims would be null and void and it would be possible that significant additional time and expense may be required to obtain a final determination of those Claims.
78. If the Plan is not approved and implemented, the settlement of the Pension Priority Proceedings would be null and void and the appeals to the Quebec Court of Appeal in respect of the Pension Priority Decision and, to the Supreme Court of Canada in respect of the Newfoundland Reference Decision, would proceed. Such appeals would require significant time and expense by all parties and would significantly delay distributions to Affected Unsecured Creditors of the Wabush CCAA Parties, including the Pension Claims.

79. The Monitor has also considered the question of whether bankruptcies of the CCAA Parties would be more beneficial to creditors than the implementation of the Plan and has concluded that they would not for the following reasons:
- (a) The Non-Filed Affiliates have informed the Monitor that their proposed settlement is only available in the context of a plan of arrangement that provides for the releases that are set out in the Plan. Accordingly, the proposed settlement would not be available in the context of the bankruptcy of the Participating CCAA Parties or any of them, and the matters that would be settled through the Plan would have to be abandoned or litigated. As set out above, the Monitor is of the view that litigation is unlikely to realize value sufficient to provide a better result for third-party creditors than the Plan;
 - (b) As has been stated in previous reports of the Monitor, the CCAA Proceedings are complex and intertwined. The co-ordination of the various estates is, in the Monitor's view, critical to maximize efficiency and effectiveness. It is also the Monitor's view that a continuation of the CCAA Proceedings is, at the current time, the most efficient and effective way that such co-ordination can be achieved and that the proceedings can be completed for the benefit of all stakeholders. The bankruptcy of some or all of the Participating CCAA Parties could add additional complexity, cost and delay; and
 - (c) It is also likely that any effort to bankrupt the CCAA Parties would be vigorously opposed by parties with an interest in the Pension Claims because it could prejudice priority arguments raised by such parties in the Pension Priority Proceedings. It is also possible that certain parties would dispute the view that a bankruptcy would render the Pension Claims to be unsecured claims and seek to continue the Pension Priority Proceedings even in a bankruptcy.

80. Accordingly, in the Monitor's view the Plan is overall more beneficial than a bankruptcy.

TREATMENT OF SHAREHOLDERS

81. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. The Plan does not provide for any payment on account of Equity Claims and such claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred. Equity Interests are unaffected by the Plan.
82. Given the shortfall on account of claims of Affected Unsecured Creditors, in the Monitor's view the treatment of shareholders is justified, fair and reasonable.

THE RELEASES

83. The BL/Wabush Releases and the Third Party Releases are an integral part of the Plan. As noted earlier in this Report, The BL/Wabush Releases do not release or discharge:
- (a) Unaffected Claims;
 - (b) 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
 - (c) The Directors with respect to matters set out in section 5.1(2) of the CCAA.
84. In the view of the Monitor, the BL/Wabush Releases and the Third Party Releases are reasonable and justified in the circumstances.

85. The Non-Filed Affiliate Releases are also an integral part of the proposed settlement with the Non-Filed Affiliates and, consequently, are a necessary and integral part of the Plan. The Non-Filed Affiliates will only provide the significant consideration comprised of the Non-Filed Affiliate Distribution/Payment Contribution, the Non-Filed Affiliate Distribution Pension Contribution and the Non-Filed Affiliate Cash Contribution if the Plan is approved and implemented.
86. As discussed earlier in this Report, the Non-Filed Affiliate Releases do not release or 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 criminal, fraudulent or other wilful misconduct.
87. Accordingly, in the view of the Monitor, the Non-Filed Affiliate Releases are reasonable and justified in the circumstances.

OTHER BENEFITS OF THE PLAN

88. In addition to the benefit of increased recoveries for Affected Third Party Unsecured Creditors, the implementation of the Plan would provide the following additional benefits:
 - (a) The resolution of significant intercompany claims between the CCAA Parties and between the CCAA Parties and Non-Filed Affiliates without the significant time and expense that would otherwise be incurred to further investigate and adjudicate such claims;
 - (b) The resolution of the Non-Filed Affiliate Transactions Claims without the significant time and expense of litigation and the litigation and collection risks associated therewith;

- (c) The resolution of disputes over the priority of claims asserted in connection the Wabush Pension Plans without the significant time and expense that would otherwise be incurred to further litigate such disputes;
- (d) The resolution of significant claims of former employees, including in respect of OPEBs, without the significant time and expense that would otherwise be incurred to resolve such claims; and
- (e) The acceleration of initial distributions to Affected Third Party Unsecured Creditors, including distributions to the Pension Plans.

THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

89. For the reasons set out above, it is the Monitor's view that:

- (a) The Plan provides for higher recoveries for all Affected Unsecured Creditors with Proven Claims than would be likely be available if the Plan is not implemented;
- (b) A bankruptcy would likely provide significantly lower recoveries to the Pension Plans and the Affected Third Party Unsecured Creditors;
- (c) There is no apparent material prejudice to the Affected Unsecured Creditors generally from the limited substantive consolidation provided for by the Plan;
- (d) The Plan has additional benefits for Affected Unsecured Creditors in that it provides for:

- (i) The resolution of significant intercompany claims between the CCAA Parties and between the CCAA Parties and Non-Filed Affiliates without the significant time and expense that would otherwise be incurred to further investigate and adjudicate such claims;
 - (ii) The resolution of the Non-Filed Affiliate Transactions Claims without the significant time and expense of litigation and the litigation and collection risks associated therewith;
 - (iii) The resolution of disputes over the priority of claims asserted in connection the Wabush Pension Plans without the significant time and expense that would otherwise be incurred to further litigate such disputes;
 - (iv) The resolution of significant claims of former employees, including in respect of OPEBs, without the significant time and expense that would otherwise be incurred to resolve such claims; and
 - (v) The acceleration of initial distributions to Affected Third Party Unsecured Creditors, including distributions to the Pension Plans;
- (e) The Plan is fair and reasonable; and
- (f) There is no aspect of the Plan that is not in compliance with statutory requirements.

90. Accordingly, and for the reasons set out in this Report, it is the Monitor's view that the approval of the Plan is in the best interests of Affected Unsecured Creditors and the Monitor respectfully recommends that all Affected Unsecured Creditors vote in favour of the Plan.

The Monitor respectfully submits to the Court this, its Forty-Sixth Report.

Dated this 23rd day of May, 2018.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Bloom Lake General Partner Limited, Quinto Mining Corporation,
8568391 Canada Limited, 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
Director

Appendix A

The Plan

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, 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

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

Pursuant to the Companies' Creditors Arrangement Act

May 16, 2018

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	2
1.1 Definitions.....	2
1.2 Certain Rules of Interpretation.....	3
1.3 Time	4
1.4 Date and Time for any Action	4
1.5 Successors and Assigns.....	4
1.6 Governing Law	4
1.7 Schedules	4
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	5
2.1 Purpose of Plan	5
2.2 Persons Affected	5
2.3 Persons Not Affected	6
2.4 Plan Sponsors and Restructuring Term Sheet.....	6
2.5 No Assignment of Non-Filed Affiliate Unsecured and Interco Claims and Non-Filed Affiliate Secured Claims	7
ARTICLE 3 LIMITED SUBSTANTIVE CONSOLIDATION, CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS	7
3.1 Limited Substantive Consolidation.....	7
3.2 Claims Procedure	8
ARTICLE 4 CLASSIFICATION AND CLASSES OF AFFECTED UNSECURED CREDITORS	9
4.1 Unsecured Creditor Classes	9
4.2 Voting	9
4.3 Unaffected Claims	10
4.4 Meetings.....	10
4.5 No Double Proof.....	10
ARTICLE 5 TREATMENT OF CLAIMS	11
5.1 Treatment of Non-Filed Affiliate Unsecured Interco Claims and CCAA Party Pre-Filing Interco Claims	11
5.2 Treatment of Pension Claims.....	11
5.3 Treatment of Affected Third Party General Unsecured Claims	11
5.4 Treatment of Secured Claims.....	12
5.5 Unresolved Claims.....	12
5.6 D&O Claims and the Directors’ Indemnities and Directors’ Charges	13
5.7 Equity Claims and Equity Interests.....	13
5.8 Employee Priority Claims and Government Priority Claims	13

TABLE OF CONTENTS

	Page
5.9 Duplicate Claims.....	14
5.10 Extinguishment of Affected Claims.....	14
5.11 Currency.....	14
5.12 Section 19(2) Claims.....	15
5.13 Set-Off.....	15
ARTICLE 6 RESERVES, UNSECURED CREDITOR CASH POOLS, AND PENSION CASH POOLS	15
6.1 The Establishment and Maintenance of Reserves, Unsecured Creditor Cash Pools, and Pension Cash Pools	15
6.2 Administrative Reserve.....	15
6.3 Unresolved Claims Reserve.....	15
6.4 Directors' Charge Reserve.....	17
6.5 Creation of the Unsecured Creditor Cash Pools	17
6.6 Creation of the Pension Cash Pools	18
ARTICLE 7 PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS, DISBURSEMENTS AND CONTRIBUTIONS.....	18
7.1 Distributions, Payments and Disbursements Generally; Order and Sequencing of Distributions and Payments	18
7.2 Tax Matters	21
7.3 Priority of Payments	22
7.4 Method of Payment.....	22
7.5 Treatment of Uncashed Distributions or Payments	23
7.6 Payment and Treatment of Certain Unaffected Claims	23
7.7 Timing of Distributions.....	24
7.8 Remaining Cash	24
ARTICLE 8 PLAN IMPLEMENTATION	25
8.1 Corporate Authorizations.....	25
ARTICLE 9 CORPORATE MAINTENANCE AND RELATED MATTERS	25
9.1 Dissolutions.....	25
9.2 Tax Elections	25
ARTICLE 10 RELEASES	26
10.1 Plan Releases	26

TABLE OF CONTENTS

Page

ARTICLE 11 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION..... 29

 11.1 Application for Sanction Order..... 29

 11.2 Sanction Order 29

 11.3 Conditions Precedent to Implementation of the Plan 29

 11.4 Plan Implementation Date Certificate..... 30

 11.5 Conditions Precedent to Plan Distributions 31

ARTICLE 12 GENERAL 31

 12.1 General 31

 12.2 Claims Bar Date 31

 12.3 Deeming Provisions 32

 12.4 Non-Consummation..... 32

 12.5 Modifications of the Plan..... 32

 12.6 Paramourncy 33

 12.7 Responsibilities of the Monitor..... 33

 12.8 Different Capacities 33

 12.9 Notices 33

 12.10 Further Assurances..... 36

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 April 27, 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 these 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, and permitted amendments to the Original Plan without further order of the Court only until May 18, 2018;
- 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, some of which may be consolidated for the purposes of the Plan pursuant to Section 3.1 of the Plan, the “**Participating CCAA Parties**”), 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/Quinto 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/Quinto 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 Unsecured Creditors with Proven Claims and in accordance with Section 7.1(e) to Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims, in each case against any of the CQIM/Quinto Parties;
- (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 the CQIM/Quinto Parties to Affected Third Party Unsecured Creditors with Proven Affected Third Party General Unsecured Claims and Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims, in each case as against any of the CQIM/Quinto Parties, 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:

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

- (iii) **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.
- (iv) **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.

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 ITA, 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.

- (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 any indemnity provided by such Non-Filed Affiliate in favour of any Director or Officer.

- (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

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

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

(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

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: gmoftat@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

(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

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
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

“**8568391**” has the meaning ascribed thereto in Recital A;

“**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;

“**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 should be allocated to the CQIM/Quinto Parties), BLRC (which fees and costs shall be deducted from its Available Cash), 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;

“**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 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 the CQIM/Quinto Unsecured Creditor Class, 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 against such Unsecured Creditor Class;

“**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/Quinto Unsecured Creditor Cash Pool**” means the Unsecured Creditor Cash Pool allocated to the CQIM/Quinto Parties from time to time for distributions to Affected Unsecured Creditors of the CQIM/Quinto Parties with Proven Affected Unsecured Claims under 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/Quinto 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;

“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;

“**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 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; and

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

Schedule "B"

Non-Filed Affiliate Unsecured Interco Claims

Schedule B - Non-Filed Affiliate Unsecured Interco Claims

	Debtor							Total
	Bloom Lake CCAA Parties						Total	
	CQIM/Quinto	Bloom Lake LP	Total	WICL/WRI/WM	Wabush Lake Railway	Arnaud Railway		
Cleveland-Cliffs International Holding Co.	-		-	117,066,682			117,066,682	117,066,682
Cliffs Canadian Shared Services Inc.	-	374,793	374,793				-	374,793
Cliffs International Management Company LLC	1,616,210	1,408,810	3,025,021	324,581			324,581	3,349,601
Cliffs Mining Company	1,753,324	173,237	1,926,561	549,623,203		1,084,122	550,707,325	552,633,886
Cliffs Mining Services Company	-	27,911,822	27,911,822	3,065,257			3,065,257	30,977,079
CLIFFS NATURAL RESOURCES INC.	55,060,060	122,294,633	177,354,693	108,963,422		23,093	108,986,515	286,341,208
Cliffs Natural Resources Luxembourg S.ar.L	566,735,982		566,735,982				-	566,735,982
Cliffs Natural Resources Pty Ltd.	293,401,553	474	293,402,027				-	293,402,027
CLIFFS NETHERLANDS B.V.	-		-	2,917,552			2,917,552	2,917,552
Cliffs UTAC Holdings LLC	7,656		7,656				-	7,656
Northshore Mining Company	-	5,603	5,603	1,862			1,862	7,465
TILDEN MINING COMPANY LLC	-		-	63,640			63,640	63,640
Total	918,574,784	152,169,372	1,070,744,156	782,026,198	-	1,107,215	783,133,413	1,853,877,570

Note - Excluding Deficiency Claims

Schedule "C"

Non-Filed Affiliate Secured Interco Claims

Schedule C - Non-Filed Affiliate Secured Interco Claims

	Debtor							Total
	Bloom Lake CCAA Parties						Total	
	CQIM/Quinto	Bloom Lake LP	Total	WICL/WRI/WM	Wabush Lake Railway	Arnaud Railway		
Cliffs Mining Company				8,862,833			8,862,833	8,862,833
CLIFFS NATURAL RESOURCES INC.	62,614,190	111,144,305	173,758,495				-	173,758,495
Total	62,614,190	111,144,305	173,758,495	8,862,833	-	-	8,862,833	182,621,328

Schedule “D”

CCAA Party Pre-Filing Interco Claims

Schedule D - CCAA Party Pre-Filing Interco Claims

	Debtor							Total
	Bloom Lake CCAA Parties			WICL/WRI/WM	Wabush Lake Railway	Arnaud Railway	Total	
	CQIM/Quinto	Bloom Lake LP	Total					
ARC - Arnaud Railway Company	1,780,021		1,780,021				-	1,780,021
BLIOM - The Bloom Lake Iron Ore Mine Limited Partnership	11,465		11,465			11,710,818	11,710,818	11,722,283
CQIM - Cliffs Quebec Iron Mining ULC	-	495,265,137	495,265,137				-	495,265,137
QMC - Quinto Mining Corporation	20,425,496		20,425,496				-	20,425,496
WLRC - Wabush Lake Railway Company Limited	-		-			45,345	45,345	45,345
WICL - Wabush Iron Co. Limited	69,840,432	3,449,806	73,290,238	2,081	417,500	3,056,445	3,476,025	76,766,263
WRI - Wabush Resources Inc.	36,586,055	9,408,212	45,994,267		1,141,361	8,335,447	9,476,808	55,471,076
Total	128,643,469	508,123,156	636,766,624	2,081	1,558,861	23,148,054	24,708,996	661,475,620

Schedule "E"

Form of Sanction Order

SUPERIOR COURT

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: **500-11-048114-157**

DATE: June 29, 2018

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

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
WABUSH IRON CO. LIMITED
WABUSH RESOURCES INC.**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP
BLOOM LAKE RAILWAY COMPANY LIMITED
WABUSH MINES
ARNAUD RAILWAY COMPANY
WABUSH LAKE RAILWAY COMPANY LIMITED**

Mises-en-cause

(Petitioners and Mises-en-cause hereinafter the “**CCAA Parties**”)

-and-

FTI CONSULTING CANADA INC.

Monitor

SANCTION ORDER

- [1] **SEEING** the *Motion for the issuance of a Sanction Order* (the "**Motion**") by the CCAA Parties other than 8568391 Canada Limited, Bloom Lake Railway Company Limited and Wabush Lake Railway Company Limited (the "**Participating CCAA Parties**"), seeking the sanctioning of the Amended and Restated Joint Plan of Compromise and Arrangement dated May 16, 2018 and filed in the court record on May 16, 2018, a copy of which is attached hereto as **Schedule "A"** (the "**Plan**");
- [2] **CONSIDERING** sections 6 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the submissions of counsels present at the hearing;
- [3] **SEEING** the Monitor's Report to the Court on the Sanction of the Plan, Exhibit <●>;
- [4] **CONSIDERING** the approval of the Plan by the Required Majority in each Unsecured Creditor Class, as appears from the Monitor's Report to the Court on the Sanction of the Plan;
- [5] **GIVEN** the provisions of the CCAA;

FOR THESE REASONS, THE COURT:

- [6] **GRANTS** the Motion;
- [7] **DECLARES** that the notices given of the presentation of the Motion are adequate and sufficient;

DEFINITIONS

- [8] **ORDERS** that capitalized terms not otherwise defined in this CCAA Sanction Order shall have the meanings ascribed to them in **Schedule "B"** attached hereto;

SERVICE AND MEETINGS

- [9] **ORDERS AND DECLARES** that the notification procedures set out in the Amended and Restated Meetings Order have been duly followed and that there has been valid and sufficient notice, service and delivery of the Meeting Materials and the Employee Creditor Letters to Affected Unsecured Creditors for the purpose of the Meetings and that no other or further notice shall be required.
- [10] **ORDERS AND DECLARES** that the Meetings were duly called, convened, held and conducted in accordance with the CCAA and the Orders of this Court in these CCAA Proceedings, including without limitation, the Amended and Restated Meetings Order;

SANCTION OF THE PLAN

[11] **ORDERS AND DECLARES** that:

- a) the Plan has been approved by the Required Majority in each Unsecured Creditor Class voting in conformity with the CCAA and the Amended and Restated Meetings Order;
- b) the Participating CCAA Parties have complied in all respects with the provisions of the CCAA and all the Orders made by this Court in the CCAA Proceedings;
- c) the Court is satisfied that the Participating CCAA Parties have neither done nor purported to do anything that is not authorized by the CCAA; and
- d) the Participating CCAA Parties have each acted in good faith and with due diligence, and the Plan and its implementation are fair and reasonable;

[12] **ORDERS AND DECLARES** that the Plan is hereby sanctioned pursuant to Section 6 of the CCAA;

PLAN IMPLEMENTATION

[13] **ORDERS** that, as of the Plan Implementation Date and upon the filing by the Monitor of the Plan Implementation Date Certificate as provided below, the Participating CCAA Parties and their respective directors and officers, and the Monitor, USW Counsel, the Salaried Representatives and the Salaried Members Representative Counsel, shall be and are hereby authorized and directed, to take all steps and actions, and to do all such things, as determined by the Participating CCAA Parties and/or the Monitor to be necessary or appropriate to implement the Plan in accordance with its terms and as contemplated thereby, and to enter into, adopt, execute, deliver, implement and consummate all of the steps, actions, transactions and agreements, and to perform its obligations under such agreements, documents, securities and instruments as may be necessary or desirable to implement and effect the Plan, and to take any further actions required in connection therewith and all such steps and actions are hereby authorized, ratified and approved. None of the Participating CCAA Parties, their respective directors and officers or the Monitor or the USW Counsel or the Salaried Members Representative Counsel shall incur any liability as a result of acting in accordance with the terms of the Plan and this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties;

[14] **ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, releases, permanent injunctions, offsets and cancellations effected thereby are hereby approved, shall be deemed to be implemented and shall be binding and effective in accordance with the terms of the Plan or at such other time, times or manner as may be set forth in the Plan, in the sequence

provided therein, and shall enure to the benefit of and be binding upon the Participating CCAA Parties, all Affected Creditors, the Released Parties and all Persons named or referred to in, affected by, or subject to, the Plan and their respective administrators, legal representatives, successors and assigns;

- [15] **ORDERS** that upon delivery to the Monitor of the Non-Filed Affiliate Cash Contribution, the Irrevocable Payment Direction and the Notices of Discontinuance described in Section 11.3 of the Plan at the times set out in the Plan, and delivery from each of the Participating CCAA Parties and the Parent of the Conditions Certificates confirming fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 11.3 of the Plan, the Monitor shall issue forthwith the Plan Implementation Date Certificate to the Participating CCAA Parties and the Parent concurrently. The Monitor is hereby directed to file the Plan Implementation Date Certificate with the Court as soon as reasonably practicable following the Plan Implementation Date after delivery thereof, and shall provide a true copy of such filed certificate to the Participating CCAA Parties and the Parent and post a copy of same on the Website and provide a copy to the Service List.
- [16] **ORDERS** that upon the filing of the Plan Implementation Date Certificate, the Monitor's counsel, Norton Rose Fulbright Canada LLP, shall release from escrow the Notices of Discontinuance described in Section 11.3 of the Plan and forthwith file such notices with the Quebec Court of Appeal, the Newfoundland and Labrador Supreme Court Trial Division (General) and the Supreme Court of Canada, as applicable, and **FURTHER ORDERS** the parties to the Pension Priority Proceedings and the Non-Filed Affiliate Employee Actions to sign any further documentation as may be necessary to discontinue such proceedings, including the Québec Pension Proceedings, the Newfoundland Reference Proceedings and the Non-Filed Affiliate Employee Actions;

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

- [17] **ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, discharged and released with prejudice, subject only to the right of Affected Unsecured Creditors to receive the distributions pursuant to the Plan and this Order in respect of their Affected Unsecured Claims, in the manner and to the extent provided for in the Plan;
- [18] **ORDERS AND DECLARES** that nothing in the Plan extends to or shall be interpreted as extending or amending any of the bar dates set out in the Amended Claims Procedure Order or the Post-Filing Claims Procedure Order or give or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to such Orders;
- [19] **ORDERS AND DECLARES** that each Person named or referred to in, or subject to, the Plan shall and is hereby deemed to have consented and agreed to all of

the provisions in the Plan, in its entirety, and each Person named or referred to in, or subject to, the Plan shall be and is hereby deemed to have executed and delivered to the Released Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

DISTRIBUTIONS AND PAYMENTS ADMINISTERED BY THE MONITOR

[20] **ORDERS** that the Monitor is hereby authorized and directed to administer all distributions and payments from the Unsecured Creditor Cash Pools and the Reserves from and after the Plan Implementation Date, in accordance with the Plan;

[21] **ORDERS AND DECLARES** that all distributions and payments administered by the Monitor are for the account of the Participating CCAA Parties and the fulfillment of their obligations under the Plan, including distributions from the Unsecured Creditor Cash Pools to Affected Unsecured Creditors with Proven Claims;

[22] **ORDERS AND DECLARES** that, notwithstanding:

- a) the pendency of these proceedings and the declarations of insolvency made therein;
- b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA, as amended in respect of the Participating CCAA Parties and any bankruptcy order issued pursuant to any such application; and
- c) any assignment in bankruptcy made in respect of the Participating CCAA Parties;

the transactions contemplated in the Plan, the payments or distributions made in connection with the Plan, whether before or after the Plan Implementation Date, and any action taken in connection therewith, including, without limitation, under this Order shall not be void or voidable and do not constitute nor shall they be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other challengeable transaction under the BIA (including sections 95 to 101 of thereof), article 1631 and following of the Civil Code or any other applicable federal or provincial legislation, and the transactions contemplated in the Plan, the payments or distributions made in connection with the Plan, whether before or after the Plan Implementation Date, and any action taken in connection therewith, do not constitute conduct meriting an oppression remedy under any applicable statute and shall be binding on an interim receiver, receiver, liquidator or trustee in bankruptcy appointed in respect of the Participating CCAA Parties;

[23] **ORDERS AND DECLARES** that the Participating CCAA Parties and the Monitor shall be authorized, in connection with the making of any payment or distribution,

and in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith or for any comfort letters or confirmations;

- [24] **ORDERS** that the Participating CCAA Parties and the Monitor are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Unsecured Creditors and any other Creditors in respect of which such withholding was made, provided such withheld amounts be remitted to the appropriate Governmental Authority;
- [25] **ORDERS AND DECLARES** that if any Affected Unsecured Creditor's distribution in respect of its Proven Affected Unsecured Claim or payment in respect of an Government Priority Claim or Secured Claim remains uncashed or remains returned as undeliverable or a Social Insurance Number for an Employee, which shall be required prior to delivery of any distribution to an Employee, is not provided to the Monitor in accordance with the terms of any Court Order (an "**Uncashed Distribution**") on the date that is six (6) months after the Final Distribution Date, such Proven Affected Unsecured Claim, Employee Priority 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 Distribution shall be delivered to the Pension Plan Administrator for distribution to each of the Wabush Pension Plans equally. Nothing in the Plan or this 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.
- [26] **ORDERS AND DECLARES** that the distributions, disbursements or payments delivered by the Monitor pursuant to the Plan are not delivered by the Monitor in its personal or corporate capacity or as legal representative of the Participating CCAA Parties and shall be without personal or corporate liability of the Monitor and, without limiting the foregoing, the Monitor shall have no, and is released from any, obligations or liability in connection with any Taxes owing by the Participating CCAA Parties, or any withholdings or deductions that any Person may assert should or should not have been paid or made in connection with such distributions, disbursements or payments. The Monitor acts in connection with such distributions, disbursements and payments solely as a disbursing agent, without any obligation to seek or obtain any tax clearance certificate under section 34 of the Income Tax Act (British Columbia), section 104 of the Social Service Tax Act (British Columbia), section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act, 2007* (Ontario), section 14 of the *Tax Administration Act* (Quebec), section 54 of the Income Tax Act, 2000, S.N.L. c. I-1, section 159 of the *Income*

Tax Act (Canada), section 270 of the *Excise Tax Act (Canada)*, section 46 of the *Employment Insurance Act (Canada)*, or any other federal, provincial or territorial tax legislation.

- [27] **ORDERS AND DECLARES** that all amounts distributed or paid under or pursuant to the Plan shall be distributed or paid and applied against Proven Affected Unsecured Claims (including Non-Filed Affiliate Unsecured Interco Claims) and Proven Secured Claims (including Non-Filed Affiliate Secured Interco Claims), in the manner, order and sequence as set out in Article 7 of the Plan, including Section 7.4 of the Plan, and shall enure to the benefit of and be binding upon the Participating CCAA Parties, all Affected Creditors, the Released Parties and all Persons named or referred to in, affected by, or subject to, the Plan and their respective administrators, legal representatives, successors and assigns;
- [28] **ORDERS** that the Monitor, on behalf of the Participating CCAA Parties, shall be and is hereby authorized and directed to pay to the holders of Government Priority Claims and the Employee Priority Claims the amounts of their Proven Claims in respect of such Claims after the Plan Implementation Date;
- [29] **ORDERS** that the Monitor, on behalf of the Participating CCAA Parties, shall be and is hereby authorized and directed to pay to the holders of Proven Secured Claims, the Allocated Value in respect of such Proven Secured Claims, after the Plan Implementation Date but only after Final Determination of such Allocated Value in accordance with the Allocation Methodology.

NOTICE OF TRANSFER

- [30] **ORDERS** that, subject to the restrictions contained in Section 2.5 of the Plan with respect to Non-Filed Affiliate Secured Interco Claims and Non-Filed Affiliate Unsecured Interco Claims, for purposes of distributions to be effected pursuant to the Plan, if an Affected Unsecured Creditor transfers or assigns the whole of its Affected Unsecured Claim to another Person, neither the Participating CCAA Parties, nor the Monitor shall be obligated to deal with the transferee or assignee of the Affected Unsecured Claim as the Affected Unsecured Creditor in respect of any distribution unless and until written notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least ten (10) Business Days prior to such distribution under the Plan. Thereafter, such transferee and assignee shall, for all purposes constitute an Affected Unsecured Creditor and shall be bound by any and all notices previously given to the transferor and assignor and steps taken in respect of such Affected Unsecured Claim;

ESTABLISHMENT OF RESERVES

- [31] **ORDERS** that in accordance with the Plan, the Monitor, on behalf of the Participating CCAA Parties, shall be and is hereby authorized and directed to establish the Administrative Reserve out of the Available Cash in the aggregate amount to be agreed to, in accordance with the Plan, by the Monitor and the Participating CCAA Parties from time to time or by further order of the Court;
- [32] **ORDERS** that, pursuant to and in accordance with the Plan, the Monitor, on behalf of the Participating CCAA Parties is hereby authorized to establish the Directors' Charge Reserve in accordance with the Plan from the Available Cash in an amount to be agreed between the Monitor and D&O Independent Counsel, or as ordered by the Court, in an amount not to exceed the aggregate amount of the Directors' Charges as provided in the Initial Orders, and, on the Plan Implementation Date, the Directors' Charges shall be released from all Property of the CCAA Parties other than the Directors' Charge Reserve;
- [33] **ORDERS** that, pursuant to and in accordance with the Plan, the Monitor, on behalf of the Participating CCAA Parties, is hereby authorized to establish the Unresolved Claims Reserve in accordance with the Plan from the Available Cash in an initial amount equal to the amount of distributions the holders of Unresolved Claims would receive if such Unresolved Claims were to be Proven Claims;
- [34] **ORDERS** that, pursuant to and in accordance with the Plan, the Monitor, on behalf of the Participating CCAA Parties is hereby authorized to establish such other reserves on or after the Plan Implementation Date from the Available Cash as the Monitor considers necessary or appropriate;
- [35] **ORDERS** that all Reserves established pursuant to the Plan shall be on an accounting basis only and no Cash is required to be segregated by the Monitor in a separate bank account;

PERMANENT INJUNCTIONS, RELEASES AND BAR ORDERS

- [36] **ORDERS AND DECLARES** that the compromises, arrangements, releases, discharges, bar orders and permanent injunctions contemplated in the Plan, including those granted by and for the benefit of the Released Parties, are integral components thereof and are necessary for, and vital to, the success of the Plan and that all such releases, discharges, bar orders and injunctions are hereby sanctioned, approved, binding and effective as and from the Effective Time on the Plan Implementation Date;
- [37] **ORDERS** that notwithstanding the foregoing, the releases, the bar orders and the injunction as provided in this Order and in Section 10.1 of the Plan shall not extend to and shall not be construed as extending to any Unaffected Claims under Section 2.3 of the Plan as against the Participating CCAA Parties and any applicable Directors;

- [38] **ORDERS** that, without limiting the Amended Claims Procedure Order and the Post-Filing Claims Procedure Order, any holder of a Claim, including any Creditor, who did not file a Proof of Claim before the applicable bar dates as set out in the Amended Claims Procedure Order and the Post-Filing Claims Procedure Order shall be and is hereby forever barred from making any Claim against the Released Parties and any of their successors and assigns, and shall not be entitled to any distribution under the Plan, and that such Claim is forever extinguished;
- [39] **ORDERS** that, without limiting anything in this Order or the Plan, any Released Claim that any Person (regardless of whether or not such Person is a Creditor) holds or asserts or any Claim that would reasonably be expected to give rise to a Released Claim against a Released Party whether through a cross-claim, third-party claim, warranty claim, recursory claim, subrogation claim, forced intervention or otherwise, is hereby permanently and automatically released and the enforcement, prosecution, continuation or commencement thereof is permanently and automatically enjoined and forbidden. Any and all Released Claims are permanently and automatically compromised, discharged and extinguished, and all Persons (including, without limitation, all Creditors), whether or not consensually, shall be deemed to have granted full, final, absolute, unconditional, complete and definitive releases of any and all Released Claims to each such Released Party;
- [40] **ORDERS** that all Persons (regardless of whether or not such Persons are Creditors) shall be permanently and forever barred, estopped, stayed and enjoined from (i) pursuing any Released Claim, directly or indirectly, against such Released Parties, (ii) continuing or commencing, directly or indirectly, any action or other proceeding with respect to any Released Claim against such Released Parties, or with respect to any Claim that would reasonably be expected to give rise to a Released Claim against such Released Parties whether through a cross-claim, third-party claim, warranty claim, indemnification claim, recursory claim, subrogation claim, forced intervention or otherwise, (iii) seeking the enforcement, levy, attachment, collection, contribution or recovery of or from any judgment, award, decree, or order against such Released Parties or property of such Released Parties with respect to any Released Claim, (iv) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind against such Released Parties or the property of such Released Parties with respect to any Released Claim, and (v) taking any actions to interfere with the implementation or consummation of the Plan, provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan;

PLAN CHARGES

- [41] **ORDERS** that each of the Interim Lender Charge and the Sale Advisor Charge is hereby terminated released and discharged on the Plan Implementation Date.

- [42] **ORDERS** that the Administration Charges shall continue and shall attach to the Property, including the Unsecured Creditor Cash Pools and the Reserves from and after the Plan Implementation Date in the same amounts and in the same priority as in the Initial Orders, subject to any reduction as may determined by further order of the Court;
- [43] **ORDERS** that, from and after the Plan Implementation Date, the Directors' Charges shall continue and shall only attach to the Directors' Charges Reserve from and after the Plan Implementation Date in the same amounts and in the same priority as in the Initial Orders, subject to any reduction as may determined by further order of the Court.

DISSOLUTION AND WIND UP

- [44] **DECLARES** that **CQIM** is hereby authorized to wind-up and dissolve **8568391, BLRC and Wabush Railway** as soon as practicable following the issuance of this Order.
- [45] **DECLARES** that all actions of the Monitor with regards to **8568391, BLRC and Wabush Railway** are hereby approved, ratified and sanctioned;
- [46] **ORDERS** that, on the filing of a certificate in the Court record by the Monitor (a "Dissolution Confirmation Certificate"), certifying that it has received confirmation from the CCAA Parties that a certificate of dissolution has been issued by the applicable corporations/companies registrar in respect of **8568391 and/or BLRC and/or Wabush Railway**, as applicable (each, a "Certificate of Dissolution"), together with a copy of the applicable Certificate(s) of Dissolution, the CCAA Proceedings shall be terminated in respect of the entity set out in such Certificate(s) of Dissolution and such party shall no longer be a CCAA Party, effective on the date of the applicable Certificate of Dissolution.
- [47] **ORDERS** that on the filing of a Dissolution Confirmation Certificate by the Monitor in the Court record in respect of **8568391 and/or BLRC and/or Wabush Railway**:
- a) **FTI Consulting Canada Inc. ("FTI")** shall be and is hereby discharged from its duties as Monitor of **8568391 and/or BLRC and/or Wabush Railway** and shall have no further duties of responsibilities as Monitor in respect of **8568391 and/or BLRC and/or Wabush Railway**, as applicable, from and after the filing of the applicable Dissolution Confirmation Certificate; provided, however, that notwithstanding the discharge herein (a) FTI shall remain Monitor of **8568391 and/or BLRC and/or Wabush Railway** for the performance of such incidental duties as may be required; and (b) FTI shall continue to have the benefit of the provisions of all Orders made in these proceedings,

including all approvals, protections and stays in favour of the Monitor of 8568391 and BLRC and/or Wabush Railway;

- b) Without limiting the releases and injunctions provided herein or in the Plan, FTI and its current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (collectively, the “Monitor Released Parties”) are hereby forever discharged and released from any and all liability that they now have or may hereafter have by reason of, or in any way arising out of, the acts or omissions of FTI while acting in its capacity as Monitor of 8568391, BLRC and Wabush Railway or arising from the appointment of FTI, as Monitor, save and except for any gross negligence or wilful misconduct on their part; and
- c) Without limiting the releases and injunctions provided herein or in the Plan, no action or other proceeding shall be commenced against the Monitor Released Parties in any way arising from or related to FTI’s capacity or conduct as Monitor of 8568391, BLRC or Wabush Railway, except with prior leave of this Court and on prior written notice to the applicable Monitor Released Parties and such further order securing, as security for costs, the solicitor and his own client costs of the Monitor Released Parties in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate;]

THE MONITOR

- [48] **ORDERS** that, without limiting the provisions of the Initial Orders or the provisions of any other Order granted in the CCAA Proceedings, including this Order, the CCAA Parties shall remain in possession and control of the Property and that the Monitor shall not take possession or be deemed to be in possession and/or control of the Property;
- [49] **DECLARES** that the protections afforded to FTI, as Monitor and as officer of this Court, pursuant to the terms of the Initial Orders and the other Orders made in the CCAA Proceedings shall not expire or terminate on the Plan Implementation Date and, subject to the terms hereof, shall remain effective and in full force and effect;
- [50] **DECLARES** that the Monitor has been and shall be entitled to rely on the books and records of the CCAA Parties and any information therein without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;
- [51] **DECLARES** that the Monitor shall not, under any circumstances, be liable for any of the CCAA Parties' Tax liabilities regardless of how or when such liability may have arisen;

GENERAL

- [52] **DECLARES** that the Participating CCAA Parties and the Monitor may, from time to time, apply to this Court for any advice, directions or determinations concerning the exercise of their respective powers, duties and rights hereunder or in respect of resolving any matter or dispute relating to the Plan, the Amended and Restated Meetings Order or this Order, or to the subject matter thereof or the rights and benefits thereunder, including, without limitation, regarding the distribution mechanics under the Plan;
- [53] **ORDERS** that this Order shall have full force and effect in all provinces and territories of Canada and abroad as against all Persons and parties against whom it may be enforced;
- [54] **DECLARES** that the Participating CCAA Parties and the Monitor are authorized to apply as they may consider necessary or desirable, with or without notice, to any other court of competent jurisdiction or administrative body, whether in Canada, the United States of America or elsewhere, for an order recognizing the Plan and this Order and confirming that the Plan and this Order are binding and effective in such jurisdiction, and to assist the Participating CCAA Parties, the Monitor and their respective agents in carrying out the terms of the Plan and this Order, and that the Monitor is the Participating CCAA Parties' foreign representative for those purposes;
- [55] **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 recognize and give effect to the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, to assist the Participating CCAA parties, the Monitor and their respective agents in carrying out the terms of the Plan and this Order and to act in aid of and to be complementary to this Court in carrying out the terms of the Plan and this Order, including the registration of this Order in any office of public record by any such court or administrative body or by any Person affected by the Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders, and to provide such assistance to the Participating CCAA Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Participating CCAA Parties and the Monitor and their respective agents in carrying out the terms of this Order. More specifically, and without limiting the generality of the foregoing, **REQUESTS** the aid and recognition of the United States District Court for the Southern District of New York to declare that the recognition proceedings commenced by Worldlink Resources Limited in file bearing number 17 Civ-8486 (AJN) shall be forever and permanently barred, enjoined and restrained and that those proceedings shall be promptly dismissed;

[56] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security;

[57] **Without costs.**

STEPHEN W. HAMILTON J.S.C.

Mtre Bernard Boucher
Mtre Ilia Kravtsov
(Blake, Cassels & Graydon LLP)
Attorneys for the CCAA Parties

Date of hearing: June 29, 2018

Schedule A: Plan
Schedule B: Definitions
Schedule C: Form of Plan Implementation Date Certificate

Schedule "A"

Plan

Schedule "B"
Definitions to Sanction Order

SCHEDULE "B" TO THE SANCTION ORDER

DEFINITIONS

"8568391" means 8568391 Canada Limited;

"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;

"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 should be allocated to the CQIM/Quinto Parties), BLRC (which fees and costs shall be deducted from its Available Cash), 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;

"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 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” means the 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, which was approved by an Order of the Court on July 25, 2017 as may be amended upon Final Determination of the Vermont Allocation Appeal;

“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” means Arnaud Railway Company.

“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;

“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**” means Bloom Lake General Partner Limited;

“**BLLP**” means The Bloom Lake Iron Ore Mine Limited Partnership;

“**BLRC**” means Bloom Lake Railway Company Limited;

“**Bloom Lake CCAA Parties**” means, collectively, BLGP, Quinto, 8568391, CQIM, BLLP and BLRC;

“**BL Parties**” means BLGP and BLLP.

“**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;

“**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**” means each of the CCAA Parties and their respective Directors, Officers, Employees, advisors, legal counsel and agents (being referred to individually);

“**Bloom Lake CCAA Parties**” means, collectively, BLGP, Quinto, 8568391, CQIM, BLLP, and BLRC;

“**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**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

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

“**CCAA Parties**” means the Wabush CCAA Parties, together with the Bloom Lake CCAA Parties, and “**CCAA Party**” means any one of the CCAA Parties;

“**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**” means the proceedings commenced pursuant to the CCAA by a Court Order issued on January 27, 2015, bearing Court File No. 500-11-048114-157;

“**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) of the Plan, 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) of the Plan, 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) of the Plan, 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” means the written notice to be delivered by the Participating CCAA Parties and the Parent to the Monitor confirming, as applicable, the fulfilment or waiver to the extent available of the conditions precedent to implementation of the Plan, as described in Section 11.3 of the Plan;

“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” means Cliffs Québec Iron Mining ULC;

“CQIM/Quinto Parties” means CQIM and Quinto together;

“CQIM/Quinto Unsecured Creditor Cash Pool” means the Unsecured Creditor Cash Pool allocated to the CQIM/Quinto Parties from time to time for distributions to Affected Unsecured Creditors of the CQIM/Quinto Parties with Proven Affected Unsecured Claims under 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;

“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;

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

“Employee” means a former employee of a Participating CCAA Party other than a Director or Officer;

“Employee Creditor Letters” has the meaning given to it in the Amended and Restated Meetings Order;

“Employee Priority Claims” means, in respect of a Participating CCAA Party, the following claims of Employees of such Participating Cclaims 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;

- (a) 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
- (b) 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;

“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 judgement 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.;

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

“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;

“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/Quinto 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, and/or Participating CCAA Parties 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;

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

“Meeting Materials” has the meaning given to it in the Amended and Restated Meetings Order;

“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” means FTI Consulting Canada Inc., in its capacity as Monitor of the CCAA Parties and not in its personal or corporate capacity;

“Motion” means the *Motion for the issuance of a Sanction Order* by the Participating CCAA Parties;

“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” means an aggregate Cdn.\$19 million cash contribution to be made (or cause to be made) by the Parent individually, or in connection with the other Non-Filed Affiliates to the Pension Cash Pool in accordance with Section 2.4(c) of the Plan;

“Non-Filed Affiliate Distribution/Payment Contribution” means, collectively, the contributions the Parent and the 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/Quinto Unsecured Creditor Cash Pool as follows: (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) of the Plan, 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) of the Plan;

“Non-Filed Affiliate Distribution Pension Contribution” means the contribution to be made (or cause to be made) by each Non-Filed Affiliate who receives (i) a Non-Filed Affiliate Secured Payment pursuant to Section 7.1(a) of the Plan and/or (ii) a Non-Filed Affiliate Plan Distribution pursuant to Section 7.1(n) of the Plan in accordance with the Irrevocable Payment Direction and section 7.1(d) of the Plan which shall be included in the amount to be distributed to the Wabush Pension Plans;

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

“Non-Filed Affiliate Plan Distributions” means the payment of the Non-Filed Affiliate Secured Payments to be made by the Monitor on behalf of the Participating CCAA Parties to the Non-Filed Affiliates holding Non-Filed Affiliate Secured Interco Claims, net of any amount required to be withheld in accordance with Section 7.2(b) of the Plan;

“Non-Filed Affiliate Released Party” means the Non-Filed Affiliates, and their respective current and former members, shareholders, directors, officers and employees, advisors, legal counsel and agents, [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” means the payment of the Allocated Value applicable to Proven Non-Filed Affiliate Secured Interco Claims Non-Filed Affiliates who hold Non-Filed Affiliate Secured Interco Claims against a Participating CCAA Party shall receive, to the extent not previously paid, from such Participating CCAA Party in accordance with Section 7.1(a) of the Plan and **“Non-Filed Affiliate Secured Payments”** means the aggregate of all of them;

“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;

“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;

“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;

“Original Meetings Order” means the Order of the Court dated April 20, 2018 inter alia accepting the filing of a Joint Plan of Compromise and Arrangement dated April 16, 2018;

“Parent” means Cleveland-Cliffs Inc.;

“Participating CCAA Parties” means the CCAA Parties, other than 8568391 and BLRC, and **“Participating CCAA Party”** means any of the Participating CCAA Parties;

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

“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 the 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 of the Plan;

“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 this Sanction Order as Schedule “C” 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 Sanction Date” means the date of this Sanction Order;

“Post-Filing Claims Procedure Order” means the Post-Filing Claims Procedure Order dated March 26, 2018, as such may be amended, restated or supplemented from time to time;

“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;

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

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

“Quinto” means Quinto Mining Corporation;

“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;

“Released Claim” means the matters that are subject to release and discharge pursuant to Article 10 of the plan;

“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, resiliation, 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, resiliation, 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;

“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 Members 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 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 this Sanction Order, including the Schedules hereto, as may be amended or varied from time to time by subsequent Court Order;

“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;

“Tax” or **“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 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 Released Party” means any of 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;

“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;

“Uncashed Distribution” has the meaning given to such term in Paragraph 25 of this Order;

“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;

“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 Plan Distributions pursuant to Section 7.1(b) of the Plan, 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) of the Plan;

“Unsecured Creditor Class” means each of the CQIM/Quinto Unsecured Creditor Class, BL Parties Unsecured Creditor Class, Wabush Mines Unsecured Creditor Class, Wabush Pension Claims Class, Arnaud Unsecured Creditor Class and Arnaud Pension Claims Class;

“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;

“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 CCAA Parties” means, collectively, Wabush Iron, Wabush Resources, Wabush Mines, Arnaud and Wabush Railway;

“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 Wabush Iron Co. Limited;

“Wabush Mines Parties” means collectively, Wabush Iron, Wabush Resources and Wabush Mines;

“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” means Wabush Lake Railway Company Limited.

“Wabush Resources” means Wabush Resources Inc.;

“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.

Schedule "C"

Form of Plan Implementation Date Certificate

8566559.14

**SCHEDULE "C" TO SANCTION ORDER
PLAN IMPLEMENTATION DATE CERTIFICATE**

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, 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

PLAN IMPLEMENTATION DATE CERTIFICATE

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Amended and Restated Joint Plan of Compromise and Arrangement concerning, affecting and involving Bloom Lake General Partner Limited, Quinto Mining Corporation, Cliffs Québec Iron Mining ULC, The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines and Arnaud Railway Company (collectively, the “**Participating CCAA Parties**”) dated May 16, 2018 (the “**Plan**”), which is attached as Schedule “A” to the Sanction Order of the Honourable Stephen W. Hamilton made in these proceedings on the ● day of ● , 2018 (the “**Sanction Order**”), as such Plan may be further amended, varied or supplemented by the Participating CCAA Parties from time to time in accordance with the terms thereof.

Pursuant to paragraph 15 of the Sanction Order, FTI Consulting Canada Inc. (the “**Monitor**”) in its capacity as Court-appointed Monitor of the CCAA Parties, delivers and files with the Court this certificate and hereby certifies with respect to the Plan, the following:

- (i) the Monitor has received the Non-Filed Affiliate Cash Contribution and the Irrevocable Payment Direction in accordance with the Plan,
- (ii) the Monitor has received the Notices of Discontinuance described in Section 11.3 of the Plan in accordance with the Plan;
- (iii) the Monitor has 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
- (iv) the Plan Implementation Date has occurred in accordance with the Plan.

DATED at the City of ●, in the Province of ●, this ● day of ●, 2018.

FTI CONSULTING CANADA INC., in its
capacity as Court-appointed Monitor of the
CCAA Parties and not in its personal or
corporate capacity

By: _____
Name:
Title:

Appendix B

The Plan Modification (Blackline)

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, 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

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

Pursuant to the Companies' Creditors Arrangement Act

May 16, 2018

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION	2
1.1 Definitions	2
1.2 Certain Rules of Interpretation	3
1.3 Time	4
1.4 Date and Time for any Action	4
1.5 Successors and Assigns	4
1.6 Governing Law	4
1.7 Schedules	4
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN	5
2.1 Purpose of Plan	5
2.2 Persons Affected	5
2.3 Persons Not Affected	6
2.4 Plan Sponsors and Restructuring Term Sheet	6
2.5 No Assignment of Non-Filed Affiliate Unsecured and Interco Claims and Non-Filed Affiliate Secured Claims	7
ARTICLE 3 LIMITED SUBSTANTIVE CONSOLIDATION, CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS	7
3.1 Limited Substantive Consolidation	7
3.2 Claims Procedure	8
ARTICLE 4 CLASSIFICATION AND CLASSES OF AFFECTED UNSECURED CREDITORS	9
4.1 Unsecured Creditor Classes	9
4.2 Voting	9
4.3 Unaffected Claims	10
4.4 Meetings	10
4.5 No Double Proof	10
ARTICLE 5 TREATMENT OF CLAIMS	11
5.1 Treatment of Non-Filed Affiliate Unsecured Interco Claims and CCAA Party Pre-Filing Interco Claims	11
5.2 Treatment of Pension Claims	11
5.3 Treatment of Affected Third Party General Unsecured Claims	11
5.4 Treatment of Secured Claims	12
5.5 Unresolved Claims	12
5.6 D&O Claims and the Directors' Indemnities and Directors' Charges	13
5.7 Equity Claims and Equity Interests	13
5.8 Employee Priority Claims and Government Priority Claims	13 14

TABLE OF CONTENTS

	Page
5.9 Duplicate Claims	14
5.10 Extinguishment of Affected Claims	14
5.11 Currency	14 15
5.12 Section 19(2) Claims	15
5.13 Set-Off	15
ARTICLE 6 RESERVES, UNSECURED CREDITOR CASH POOLS, AND PENSION CASH POOLS	15
6.1 The Establishment and Maintenance of Reserves, Unsecured Creditor Cash Pools, and Pension Cash Pools	15
6.2 Administrative Reserve	15
6.3 Unresolved Claims Reserve	15 16
6.4 Directors' Charge Reserve	17
6.5 Creation of the Unsecured Creditor Cash Pools	17
6.6 Creation of the Pension Cash Pools	18
ARTICLE 7 PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS, DISBURSEMENTS AND CONTRIBUTIONS	18
7.1 Distributions, Payments and Disbursements Generally; Order and Sequencing of Distributions and Payments	18
7.2 Tax Matters	21
7.3 Priority of Payments	22
7.4 Method of Payment	22
7.5 Treatment of Uncashed Distributions or Payments	23
7.6 Payment and Treatment of Certain Unaffected Claims	23
7.7 Timing of Distributions	24
7.8 Remaining Cash	24
ARTICLE 8 PLAN IMPLEMENTATION	25
8.1 Corporate Authorizations	25
ARTICLE 9 CORPORATE MAINTENANCE AND RELATED MATTERS	25
9.1 Dissolutions	25
9.2 Tax Elections	25
ARTICLE 10 RELEASES	26
10.1 Plan Releases	26

TABLE OF CONTENTS

	Page
ARTICLE 11 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION	29
11.1 Application for Sanction Order	29
11.2 Sanction Order	29
11.3 Conditions Precedent to Implementation of the Plan	29
11.4 Plan Implementation Date Certificate	30 <u>31</u>
11.5 Conditions Precedent to Plan Distributions	31
ARTICLE 12 GENERAL	31
12.1 General	31
12.2 Claims Bar Date	31 <u>32</u>
12.3 Deeming Provisions	32
12.4 Non-Consummation	32
12.5 Modifications of the Plan	32
12.6 Paramourncy	33
12.7 Responsibilities of the Monitor	33
12.8 Different Capacities	33
12.9 Notices	33
12.10 Further Assurances	36

**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 ~~April 27~~, 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 these 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, and permitted amendments to the Original Plan without further order of the Court only until May 18, 2018;
- 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, some of which may be consolidated for the purposes of the Plan pursuant to Section 3.1 of the Plan, the “**Participating CCAA Parties**”), 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/Quinto 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/Quinto 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 Unsecured Creditors with Proven Claims and in accordance with Section 7.1(e) to Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims, in each case against any of the CQIM/Quinto Parties;
- (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 the CQIM/Quinto Parties to Affected Third Party Unsecured Creditors with Proven Affected Third Party General Unsecured Claims and Participating CCAA Parties holding CCAA Party Pre-Filing Interco Claims, in each case as against any of the CQIM/Quinto Parties, 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:

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

- (iii) **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.
- (iv) **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.

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 ~~ITA~~[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.

- (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 fulfilment 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

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

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

(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

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: gmoftat@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

(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

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
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

“**8568391**” has the meaning ascribed thereto in Recital A;

“**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;

“**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 should be allocated to the CQIM/Quinto Parties), BLRC (which fees and costs shall be deducted from its Available Cash), 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;

“**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 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 the CQIM/Quinto Unsecured Creditor Class, 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 against such Unsecured Creditor Class;

“**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/Quinto Unsecured Creditor Cash Pool**” means the Unsecured Creditor Cash Pool allocated to the CQIM/Quinto Parties from time to time for distributions to Affected Unsecured Creditors of the CQIM/Quinto Parties with Proven Affected Unsecured Claims under 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/Quinto 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;

“**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;

“**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 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; 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

Document comparison by Workshare 9.5 on Thursday, June 21, 2018 11:18:17 AM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23372430/6
Description	TOR_2528-#23372430-v6-Project_Vapor_-_Amended_and_Restated_Joint_Plan_of_Compromise_and_Arrangment
Document 2 ID	PowerDocs://TOR_2528/23372430/7
Description	TOR_2528-#23372430-v7-Project_Vapor_-_Amended_and_Restated_Joint_Plan_of_Compromise_and_Arrangment
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	30
Deletions	23
Moved from	0
Moved to	0
Style change	0
Format changed	0

Total changes	53
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