

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

**SUPERIOR COURT**

Commercial Division

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

**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

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**MOTION FOR THE ISSUANCE AN ORDER  
AUTHORIZING THE MONITOR TO ENTER INTO THE TOLLING AGREEMENT**  
(Section 11 ff. of the *Companies' Creditors Arrangement Act*)

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**TO MR. JUSTICE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE MONITOR SUBMITS:**

**1. BACKGROUND**

**1.1 Procedural background**

1. On January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (as subsequently amended, rectified and/or restated, the "**Bloom Lake Initial Order**") commencing these proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of the Petitioners Bloom Lake General Partner Limited ("**Bloom Lake GP**"), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC ("**CQIM**") and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**"), as appears from the Bloom Lake Initial Order dated January 27, 2015, which forms part of the Court record.
2. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Bloom Lake CCAA Parties (the "**Monitor**") (para. 39 of the Bloom Lake Initial Order) and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the "**Bloom Lake Stay Period**") (para. 8 *ff.* of the Bloom Lake Initial Order).
3. On May 20, 2015, Mr. Justice Hamilton, J.S.C., issued an Initial Order extending the scope of the CCAA Proceedings to the Petitioners Wabush Iron Co. Limited, Wabush Resources Inc. and the Mises-en-cause Wabush Mines, Arnaud Railway Company, and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**"), as appears from the Initial Order dated May 20, 2015, which forms part of the Court record.
4. The Bloom Lake Stay Period has been extended by order of the Court from time to time, most recently on January 30, 2017, and currently is set to expire on June 30, 2017, as appears from the Court record.

**1.2 The 2014 Reorganization**

5. As more fully described in the Initial Motion, all of the Bloom Lake CCAA Parties, with the exception of Bloom Lake GP, are indirect wholly-owned subsidiaries of Cliffs Natural Resources Inc. ("**CNR**"), an international mining and natural resources company listed on the New York Stock Exchange under the symbol "CLF".
6. In December 2014, CNR implemented a complex, multi-stage corporate reorganization involving CQIM and former Australian subsidiaries of CQIM (the "**2014 Reorganization**").
7. Since the commencement of the CCAA Proceedings, the Monitor has undertaken its review the 2014 Reorganization and its effect on the CQIM estate with a view to indentifying potential claims which may arise from the 2014 Reorganization or from other transactions involving the Cliffs Parties and the Bloom Lake CCAA Parties or the Wabush CCAA Parties.

8. In this regard, the Monitor references this Court to its prior reports forming part of the Court record, relevant extracts of which are communicated herewith *en liasse* as **Exhibit R-1**.

## 2. ORDERS SOUGHT

9. On this Motion, the Monitor hereby seeks the authorization of this Court to enter into a Tolling Agreement with CNR, on its own behalf and on behalf of any subsidiary body corporate and any affiliated body corporate of CNR, as these terms are defined in the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as well as any predecessor of CNR (collectively the "**Cliffs Parties**"), communicated herewith as **Exhibit R-2** (the "**Tolling Agreement**"), which provides, *inter alia*, for the waiver, by the Cliffs Parties, of any time limitation period or delay defence, whether established by law, statute, regulation, at common law, in equity or otherwise applicable to any potential claim arising from or in relation to the 2014 Reorganization or from other transactions involving the Cliffs Parties and the Bloom Lake CCAA Parties or the Wabush CCAA Parties (the "**Potential Claims**") and which has, may have begun to run or which may begin to run at a future date and which has not elapsed as of June 21, 2017 (the "**Effective Date**"), but only for the period that commences six months prior to the Effective Date and ends on the Effective Date.

## 3. THE TOLLING AGREEMENT

10. The Monitor is continuing to review certain aspects of the 2014 Reorganization.
11. As previously mentioned in the Monitor's 31<sup>st</sup> and 34<sup>th</sup> Reports (R-1), the Monitor has commenced "without prejudice" discussions with legal counsel to the Cliffs Parties with respect to the 2014 Reorganization and its effect on the CQIM estate and its creditors with a view to agreeing the factual matrix of the 2014 Reorganization and discussing any Potential Claim.
12. The execution of the Tolling Agreement will provide the Monitor with the time necessary in order to continue its discussions with the counsel to the Cliffs Parties, properly analyze the 2014 Reorganization, discuss and evaluate the potential prejudice or recovery arising therefrom, as the case may be, and institute any legal proceeding if necessary.
13. Consequently, pursuant to the Tolling Agreement, the Cliffs Parties and the Monitor have mutually agreed to defer initiating legal proceedings or, in the case of the Monitor, taking any steps necessary to authorize or provide the required legal capacity to commence such proceedings with regards to the Potential Claims while settlement discussions are continuing.
14. In return, the Cliffs Parties renounce and waive the benefit, in its entirety, of any time limitation period or delay defence, whether established by law, statute, regulation, at common law, in equity or otherwise, which is applicable to any of the Potential Claims and which has, may have begun to run or which may begin to run at a future date and which has not elapsed as the Effective Date, but only for the period that commences six months prior to the Effective Date and ends on the Effective Date.
15. The Cliffs Parties will further expressly and irrevocably submit to the exclusive jurisdiction of the Courts of the Province of Québec sitting in the judicial district of Montréal with

respect to any matter arising under the Tolling Agreement, without prejudice to the right of any party to this agreement or any holder of a Potential Claim to argue jurisdictional issues in respect of a Potential Claim.

**4. CONCLUSIONS**

16. In light of the foregoing, the Monitor hereby seeks the issuance of an Order substantially in the form of the draft Order communicated herewith as **Exhibit R-3**, which authorizes the Monitor, on a *nunc pro tunc* basis, to sign the Tolling Agreement.
17. The Monitor submits that the notices given of the presentation of the present Motion are proper and sufficient;
18. Pursuant to paragraph 54 of the Bloom Lake Initial Order, all motions in these CCAA proceedings are to be brought on not less than ten (10) calendar days' notice to all Persons on the service list.
19. The service of the present Motion serves as notice pursuant to paragraph 54 of the Bloom Lake Initial Order.
20. The present Motion is well founded in fact and in law.

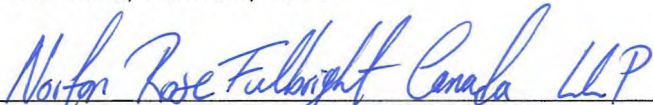
**FOR THESE REASONS, MAY IT PLEASE THE COURT TO:**

**GRANT** the present Motion;

**ISSUE** an order in the form of the draft Order communicated in support hereof as Exhibit R-3;

**WITHOUT COSTS**, save and except in case of contestation.

Montréal, June 21, 2017



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**NORTON ROSE FULBRIGHT CANADA** LLP  
Mtre Sylvain Rigaud and Mtre Chrystal Ashby  
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Our reference : 01028478-0001

**AFFIDAVIT**

I, the undersigned, Nigel Meakin, Senior Managing Director at FTI Consulting Canada Inc., of Toronto, Ontario, swear (affirm) that all the facts alleged in the present *Motion for the Issuance an Order Authorizing the Monitor to Enter Into the Tolling Agreement* are true.

AND I HAVE SIGNED



\_\_\_\_\_  
NIGEL MEAKIN

SOLEMNLY DECLARED before me in Toronto,  
province of Ontario  
this 21<sup>st</sup> day of June, 2017



\_\_\_\_\_  
Notary Public

Eric Thomas Vice, a Commissioner, ~~etc.~~  
Province of Ontario, ~~while a Student of Law,~~  
Expires April 20, 2020

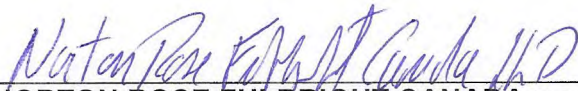
**NOTICE OF PRESENTATION**

**TO: Service List**

**TAKE NOTICE** that the present *Motion for the Issuance an Order Authorizing the Monitor to Enter Into the Tolling Agreement* will be presented for adjudication before the Honourable Stephen W. Hamilton, J.S.C., or another of the honourable judges of the Superior Court, Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **July 19, 2017** at 9:30 a.m. in a room to be determined.

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, June 21, 2017



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**NORTON ROSE FULBRIGHT CANADA LLP**  
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CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**SUPERIOR COURT**

Commercial Division

(Sitting as a court designated pursuant to the *Companies'  
Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

N°: 500-11-048114-157

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

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

and

**FTI CONSULTING CANADA INC.**

Monitor

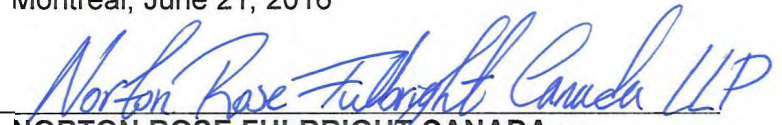
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**LIST OF EXHIBITS**

(In support of the *Motion for the Issuance an Order  
Authorizing the Monitor to Enter Into the Tolling Agreement*)

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- R-1 Relevant Extracts of Monitor's Reports  
R-2 Tolling Agreement  
R-3 Draft Order

Montréal, June 21, 2016

A handwritten signature in blue ink that reads "Norton Rose Fulbright Canada LLP". The signature is written in a cursive, flowing style and is positioned above a horizontal line.

**NORTON ROSE FULBRIGHT CANADA** LLP

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NO: 500-11-048114-157

SUPERIOR COURT  
DISTRICT OF MONTREAL

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

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE AN ORDER  
AUTHORIZING THE MONITOR TO ENTER  
INTO THE TOLLING AGREEMENT**

ORIGINAL

BO-0042 # 01028478-0001

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**MOTION FOR THE ISSUANCE OF AN  
ORDER AUTHORIZING THE MONITOR TO  
ENTER INTO THE TOLLING AGREEMENT  
(EXHIBIT R-1)**

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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File: No: 500-11-●

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

**BLOOM LAKE GENERAL PARTNER  
LIMITED, BLOOM LAKE RAILWAY  
COMPANY LIMITED, QUINTO MINING  
CORPORATION, 8568391 CANADA  
LIMITED AND CLIFFS QUÉBEC IRON  
MINING ULC**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE  
LIMITED PARTNERSHIP**

Mise-en-cause

- and -

**FTI CONSULTING CANADA INC.**

Monitor (Proposed)

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**PRE-FILING REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS PROPOSED MONITOR**

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**INTRODUCTION**

1. FTI Consulting Canada Inc. (“**FTI Consulting**” or the “**Proposed Monitor**”) has been informed that on January 27, 2015, Bloom Lake General Partner Limited, Bloom Lake Railway Company Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Petitioners**”) will make an application under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) seeking an initial order (the “**Initial Order**”) from the Superior Court of Quebec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Petitioners and The Bloom Lake Iron Ore Mine Limited Partnership (the “**Mise-en-Cause**” and together with the Petitioners, the “**CCAA Parties**”) until February 26, 2015, (the “**Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The proceedings to be commenced under the CCAA by the CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.
2. FTI Consulting has been acting as financial advisor to the CQIM and its affiliates since November 2014, and is therefore familiar with the business and operations of the CCAA Parties, their personnel, the key issues and the key stakeholders in these CCAA Proceedings. FTI Consulting is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. FTI Consulting is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. FTI Consulting has provided its consent to act as Monitor.
3. The purpose of this Report is to inform the Court on the following:

## **EXECUTIVE SUMMARY**

9. The Proposed Monitor is of the view that the relief requested by the CCAA Parties is necessary, reasonable and justified. The Proposed Monitor is also of the view that granting the relief requested will provide the CCAA Parties with the best opportunity to explore alternatives to preserve value and maximize recoveries for stakeholders.
10. Accordingly, the Proposed Monitor respectfully recommends that the CCAA Parties' request for the Initial Order and the ancillary relief described in this Report be granted by this Court.

## **THE CCAA PARTIES' BUSINESS, AFFAIRS AND CAUSES OF INSOLVENCY**

11. The business and affairs of the CCAA Parties and the causes of their insolvency are described in the Initial Motion. The Proposed Monitor has reviewed the Initial Motion and discussed the business and affairs of the CCAA Parties and the causes of their insolvency with senior management personnel of the CCAA Parties and is of the view that the Initial Motion provides a fair summary thereof.
12. The Initial Motion includes a brief description of the 2014 Reorganization, as defined therein. As described in the Initial Motion, the 2014 Reorganization included the transfer of the shares of the Australian Affiliates from CQIM to CQIM's parent company, the consideration for which was a reduction of unsecured inter-company debt.
13. Subject to any Order that may be issued by the Court, the Proposed Monitor intends to review the 2014 Reorganization and its impact and to provide a report thereon to the Court in due course. The Proposed Monitor has been informed that the CCAA Parties will provide their full co-operation to the Monitor in that regard.

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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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

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

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**INTRODUCTION**

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited 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 Quebec (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 (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (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**”.

- (b) Provided UNNU withdraws the UNNU Disclosure Motion, the CCAA Parties are prepared to make the items listed in paragraph 41(b) to (d) available to UNNU<sup>1</sup> on a confidential basis pursuant to the terms of its NDA;
  - (c) The amount of cash held by Bloom Lake LP and Bloom Lake GP has already been provided to UNNU and updated information can be provided; and
  - (d) No estimate of carrying costs of the Bloom Lake mine for an extended period of time has been prepared, but based on the October 23 Forecast, the carrying costs are estimated to be approximately \$1.8 million per month.
42. The Monitor will provide additional comments on the UNNU Disclosure Motion in a separate report if the Monitor determines that it is necessary or appropriate to do so.

#### **THE 2014 REORGANIZATION**

43. The Initial Motion included a brief description of the 2014 Reorganization, as defined therein. The (then Proposed) Monitor stated in its Pre-Filing Report that, subject to any Order that may be issued by the Court, it intended to review the 2014 Reorganization and its impact and to provide a report thereon to the Court in due course.

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<sup>1</sup> Some redactions may be required as a result of confidentiality obligations of the CCAA Parties



44. The 2014 Reorganization was a complex, multi-stage corporate reorganization that had the effect of reducing inter-company indebtedness owed by CQIM to non-filing affiliates by approximately \$805.4 million from approximately \$5.6 billion to \$4.8 billion through the transfer to non-filing affiliates of cash from the Australian subsidiaries of CQIM (the “**Australian Subsidiaries**”), the assignment of inter-company notes and the transfer of preferred and common shares in the Australian Subsidiaries held by CQIM.
45. The Monitor has requested that CNR provide various documents and other information with respect to the 2014 Reorganization and the inter-company indebtedness in order that the Monitor can undertake its review. To date, CNR has co-operated with the Monitor in respect of its review of the 2014 Reorganization and has provided documents and information in response to the Monitor’s original request. The Monitor has made additional requests for documents and information and CNR has informed the Monitor that it intends to provide additional information shortly.
46. The Monitor intends to file a detailed report addressing the 2014 Reorganization once it has completed its review.

#### **REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

47. The Stay Period currently expires on November 6, 2015. Additional time is required for the CCAA Parties to complete the negotiation of definitive agreements for the sale of assets, to seek Court approval of such agreements and complete the transactions, to implement the Claims Procedure if it is approved by the Court and to undertake the other activities necessary to complete the CCAA Proceedings. The continuation of the stay of proceedings is necessary to provide the stability needed during that time. Accordingly, the CCAA Parties now seek an extension of the Stay Period to January 29, 2016.

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**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  
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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

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

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***Late Claims***

64. 23 creditors filed proofs of claim asserting claims in the aggregate amount of approximately \$2.8 million after the Claims Bar Date of December 18, 2015 (collectively, the “**Late Claims**”), with the latest Late Claim being filed on March 7, 2016. The Monitor has been in contact with the parties that filed Late Claims to seek explanations as to why the Late Claims were filed after the Claims Bar Date.
65. The Monitor anticipates that a motion will be filed in the near future with respect to an amendment of the Claims Bar Date for some or all of the Late Claims.

**D&O CLAIMS**

66. 53 D&O Claims were filed in the aggregate amount of approximately \$2.7 million. Of these, 37 D&O Claims in the aggregate amount of approximately \$1.6 million were subsequently confirmed as having been incorrectly filed as D&O Claims and have been re-characterized as Claims. The remaining 16 D&O Claims in the aggregate amount of approximately \$1.1 million were filed by employees in respect of vacation pay and termination amounts that are expected to be paid in due course consistent with the prior practice and disclosure of the CCAA Parties in the CCAA Proceedings. Assuming such amounts are paid, these D&O Claims would be disallowed and there would be no proven D&O Claims.

**THE 2014 REORGANIZATION**

67. Paragraphs 44 and 45 of the Monitor’s Twelfth Report stated:

“44. The 2014 Reorganization was a complex, multi-stage corporate reorganization that had the effect of reducing inter-company indebtedness owed by CQIM to non-filing affiliates by approximately \$805.4 million from approximately \$5.6 billion to \$4.8 billion through the

transfer to non-filing affiliates of cash from the Australian subsidiaries of CQIM (the “Australian Subsidiaries”), the assignment of inter-company notes and the transfer of preferred and common shares in the Australian Subsidiaries held by CQIM.

45. The Monitor has requested that CNR provide various documents and other information with respect to the 2014 Reorganization and the inter-company indebtedness in order that the Monitor can undertake its review. To date, CNR has co-operated with the Monitor in respect of its review of the 2014 Reorganization and has provided documents and information in response to the Monitor’s original request. The Monitor has made additional requests for documents and information and CNR has informed the Monitor that it intends to provide additional information shortly.”

68. The Monitor has now received various additional documents and information relating to the 2014 Reorganization. The effect of the 2014 Reorganization on potential recoveries to creditors of CQIM can only be determined once the Claims against CQIM, including the Related Party Claims, are known. Accordingly, the Monitor is not yet in position to provide a detailed report on the 2014 Reorganization.

#### **THE FISHERIES SUMMONSES HEARING**

69. As described in the Monitor’s Fourteenth Report, the Fisheries Summonses were issued on October 28, 2015 and served on Newfoundland counsel to the Wabush CCAA Parties on November 5, 2015, and allege offences under the *Fisheries Act* as follows:

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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

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RAILWAY COMPANY LIMITED,  
WABUSH MINES, ARNAUD RAILWAY  
COMPANY AND WABUSH LAKE  
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

**FTI CONSULTING CANADA INC.**

Monitor

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

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22. Of the \$2.9 million of combined aggregate net operating cash outflow, an estimated amount of approximately \$0.1 million relates to expenses already incurred. Similarly, of the \$5.0 million of restructuring professional fees included in the September 20 Forecast, an estimated amount of approximately \$1.8 million relates to amounts incurred prior to the date of this Report. Other operating disbursements includes \$1.65 million to be paid to and held by the Monitor in respect of potential Minimum Royalty Payments that may become owing to MFC.
23. Based on the current information, additional potential future realizations of up to approximately \$89 million are possible, excluding any amount that may be recoverable in respect of the 2014 Reorganization. Additional information regarding the sources of potential future realizations is provided later in this Report.

#### **CURRENT CASH BALANCES**

24. At the request of the CCAA Parties, the Monitor has been assisting with the administration of receipts and disbursements in order to streamline administration and reporting. The only remaining accounts being operated by the CCAA Parties are the accounts used for the collection of payments related to Conditional Sale Employee Homes. The CCAA Parties and the Monitor are working with their banking institutions to effect the transition of the administration of these accounts. Total cash balances as at September 23, 2016 are summarized below:

92. Based on that analysis, the Monitor is of the view that the following approach to the review of the Related Party Claims is reasonable in the circumstances:
- (a) Note Y will not be reviewed as it is subordinate to all other claims and will not share in any distribution;
  - (b) The Specific Claim Components will be reviewed;
  - (c) All debit transactions will be presumed to be valid as they reduce the net Related Party Claims;
  - (d) All transactions less than or equal to \$100,000 for Quinto and \$1 million for all other CCAA Parties (approximately 28,500 transactions) will be presumed to be valid and will not be reviewed; and
  - (e) All transactions greater than \$100,000 for Quinto and \$1 million for all other CCAA Parties (approximately 2,500 transactions) will be reviewed to determine whether they constitute valid claims.
93. Based on the analysis performed, even if it were determined that all related party transactions below the proposed review threshold were not valid claims<sup>8</sup>, the potential impact on the estimated potential recoveries for creditors<sup>9</sup> would be *de minimis*, as shown in the table below:

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<sup>8</sup> In the Monitor's experience, it is highly unlikely that all such transactions would be invalid.

<sup>9</sup> Excluding any amount that may be recoverable in respect of the 2014 Reorganization.

	Estimated Unsecured Distributions to Third Parties					
	If Intercompany Claims Valid As Filed		If Untested Intercompany Claim Not Valid		Delta	
	Low	High	Low	High	Low	High
Bloom Lake LP	1.25%	2.95%	1.51%	3.61%	0.27%	0.66%
Bloom Lake GP	0.00%	2.37%	0.00%	2.37%	0.00%	0.00%
CQIM	2.64%	3.78%	2.54%	3.51%	-0.10%	-0.27%
Quinto Mining	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arnaud Railway	0.00%	27.31%	0.00%	27.62%	0.00%	0.32%
WICL	0.00%	0.54%	0.00%	0.60%	0.00%	0.06%
Wabush Lake Railway	0.00%	0.02%	0.00%	0.00%	0.00%	-0.02%
Wabush Mines <sup>1</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WRI	0.00%	0.85%	0.00%	0.89%	0.00%	0.03%

<sup>1</sup>Wabush Mines is an unincorporated joint venture, accordingly it has no assets or liabilities of its own and distributions would be through the joint venturers, WICL and WRI

94. Accordingly, the Monitor is of the view that reducing the threshold for review of related party transactions is not justified and the Monitor intends to perform its review of the Related Party Claims using the criteria set out above.
95. The Monitor has requested additional supporting documentation from the related party creditors in order to be able to undertake that review and provided that the relevant supporting documentation is provided on a timely basis, expects to be able to provide its report on the Related Party Claims within the proposed extension of the Stay Period.

***Secured Claims***

96. As previously reported, Secured Claims include:
- (a) A Related Party Claim for advances made by Cliffs Mining Company (“CMC”) to the Wabush CCAA Parties prior to the CCAA Proceedings (the “CMC Secured Claim” and the related security being the “CMC Security”);



stakeholders, including the Town of Wabush, Aboriginal groups and the Province of Newfoundland and Labrador;”

167. The Wabush CCAA Parties have informed the Monitor, consistent with previous statements made to the Court, that there have been no reclamation activities undertaken other than the revegetation program nor do they intend to commence reclamation activities. Accordingly, the consultation process is not yet relevant.

#### **THE 2014 REORGANIZATION**

168. Paragraphs 44 and 45 of the Monitor’s Twelfth Report stated:

“44. The 2014 Reorganization was a complex, multi-stage corporate reorganization that had the effect of reducing inter-company indebtedness owed by CQIM to non-filing affiliates by approximately \$805.4 million from approximately \$5.6 billion to \$4.8 billion through the transfer to non-filing affiliates of cash from the Australian subsidiaries of CQIM (the “Australian Subsidiaries”), the assignment of inter-company notes and the transfer of preferred and common shares in the Australian Subsidiaries held by CQIM.

45. The Monitor has requested that CNR provide various documents and other information with respect to the 2014 Reorganization and the inter-company indebtedness in order that the Monitor can undertake its review. To date, CNR has co-operated with the Monitor in respect of its review of the 2014 Reorganization and has provided documents and information in response to the Monitor’s original request. The Monitor has made additional requests for documents and information and

CNR has informed the Monitor that it intends to provide additional information shortly.”

169. Paragraph 68 of the Monitor’s Nineteenth Report stated:

“The Monitor has now received various additional documents and information relating to the 2014 Reorganization. The effect of the 2014 Reorganization on potential recoveries to creditors of CQIM can only be determined once the Claims against CQIM, including the Related Party Claims, are known. Accordingly, the Monitor is not yet in position to provide a detailed report on the 2014 Reorganization.”

170. The Monitor is hopeful that the final adjudication of Claims against CQIM will progress sufficiently to allow the Monitor to submit a report on the 2014 Reorganization within the proposed extension of the Stay Period.

#### **ALLOCATION ISSUES**

171. As the Court is aware, various approval and vesting orders issued in the CCAA Proceedings specifically provide that the transactions were approved without prejudice to the rights of creditors to object to the allocation of proceeds. Accordingly, prior to any distribution to creditors it will be necessary to obtain a final determination of the appropriate allocation of the proceeds of realizations among both the individual CCAA Parties and amongst various asset classes.

172. Furthermore, it will be necessary for an appropriate allocation of the costs of the CCAA Proceedings among both the individual CCAA Parties and amongst various asset classes to be determined.

173. It is anticipated that a motion for such determinations will be brought in the within the proposed extension of the Stay Period.

### ESTIMATED RANGES OF POTENTIAL DISTRIBUTIONS

174. The Monitor has estimated the ranges of potential distributions to unsecured creditors from the estates of each of the CCAA Parties based on the information currently available with respect to costs and realizations to date, the current status of claims and assumptions regarding potential future realizations. No amounts have been included in the estimates for any amounts that might be recoverable in respect of the 2014 Reorganization. The estimated the ranges of potential distributions to unsecured creditors from the estates of each of the CCAA Parties, assuming that the Related Party Claims other than Note Y are valid as filed, are summarized below:

	Low	High
Bloom Lake LP	1.25%	2.95%
Bloom Lake GP	0.00%	2.37%
CQIM	2.64%	3.78%
Quinto Mining	59.56%	68.71%
Arnaud Railway	0.00%	27.31%
WICL	0.00%	0.54%
Wabush Lake Railway	0.00%	0.02%
Wabush Mines <sup>1</sup>	0.00%	0.00%
WRI	0.00%	0.85%

<sup>1</sup>Wabush Mines is an unincorporated joint venture, accordingly it has no assets or liabilities of its own and distributions would be through the joint venturers, WICL and WRI

### REQUEST FOR AN EXTENSION OF THE STAY PERIOD

175. The Stay Period currently expires on October 12, 2016. Additional time is required for the CCAA Parties and the Monitor to complete the CCAA Proceedings, including the following activities:

- (a) Completing the negotiation of definitive agreements for the sale of remaining assets, obtaining Court approval of such agreements and completing the transactions;

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**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

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

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23. The forecast for the Wabush CCAA Parties has been prepared assuming the status quo for the Wabush Mine without the completion of a sale or the abandonment of the property. The key assumptions underlying the forecast are consistent with those used in the September 20 Forecast.
24. Of the \$3.9 million of combined aggregate net operating cash outflow shown in the January 20 Forecast, an estimated amount of approximately \$0.9 million relates to expenses already incurred. Similarly, of the \$7.0 million of restructuring professional fees included in the January 20 Forecast, an estimated amount of approximately \$2.7 million relates to amounts incurred prior to the date of this Report. Other operating disbursements include approximately \$1.6 million to be paid to and held by the Monitor in accordance with the Safeguard Order issued of the Court dated December 4, 2015, in respect of potential Minimum Royalty Payments that may become owing to MFC.
25. Based on the current information, additional potential future realizations of up to approximately \$45 million are possible, excluding any amount that may be recoverable in respect of the 2014 Reorganization. Additional information regarding the sources of potential future realizations, the significant majority of which relate to potential tax and mining duty refunds, is provided later in this Report.

#### **CURRENT CASH BALANCES**

26. As previously reported, at the request of the CCAA Parties, the Monitor has been assisting with the administration of receipts and disbursements in order to streamline administration and reporting. 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 January 13, 2017, are summarized below:

## **THE 2014 REORGANIZATION**

76. The Monitor has commenced “without prejudice” discussions with legal counsel to CNR and its non-filed affiliates with respect to the 2014 Reorganization and its apparent effect on the CQIM estate and its creditors with a view to agreeing the factual matrix of the 2014 Reorganization and any claim arising therefrom, identifying any areas of dispute and determining the process for bringing any claim or proposed settlement forward for consideration by the stakeholders and the Court.

## **ALLOCATION ISSUES**

77. As the Court is aware, various approval and vesting orders issued in the CCAA Proceedings specifically provide that the transactions were approved without prejudice to the rights of creditors to object to the allocation of proceeds. Accordingly, prior to any distribution to creditors it will be necessary to obtain a final determination of the appropriate allocation of the proceeds of realizations among each of the CCAA Parties and amongst various asset classes.
78. Furthermore, it will be necessary for an appropriate allocation of the costs of the CCAA Proceedings among each of the CCAA Parties and amongst various asset classes to be determined.
79. The Monitor has provided its recommendation for a proposed allocation methodology to the CCAA Parties. While the Monitor had anticipated that a motion for approval of the allocation methodology would be brought by the CCAA Parties prior to the expiry of the Stay Period, the CCAA Parties determined that they were unable to do so as they have not yet completed their consideration of that recommendation.

## **REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

80. The Stay Period currently expires on January 31, 2017. Additional time is required for the CCAA Parties and the Monitor to complete the CCAA Proceedings, including the following activities:
- (a) Completing the negotiation of a definitive agreement for the sale of Wabush Mine, obtaining Court approval of such agreement and completing the transaction or, if that proves not to be possible, to deal with the disclaimer or abandonment of the assets;
  - (b) Completing the Claims Procedure;
  - (c) Dealing with distributions to creditors, including the determination of the appropriate allocations of realizations and costs of the CCAA Proceedings amongst the estates and asset categories;
  - (d) Completing the investigation of the 2014 Reorganization and the effect thereof and determining what, if any, action should be taken with respect thereto;
  - (e) Completing the other activities described in this Report; and
  - (f) Undertaking the other activities necessary to complete the CCAA Proceedings.
81. 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 June 30, 2017.
82. The January 20 Forecast demonstrates that, subject to the underlying assumptions thereof, the CCAA Parties have sufficient liquidity to fund the CCAA Parties' operations and the CCAA Proceedings during the requested extension of the Stay Period.

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**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

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

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### **THE 2014 REORGANIZATION**

62. The Monitor has commenced “without prejudice” discussions with legal counsel to CNR and its non-filed affiliates (“**CNR Counsel**”) with respect to the 2014 Reorganization and its effect on the CQIM estate and its creditors with a view to agreeing the factual matrix of the 2014 Reorganization and any potential claim arising therefrom, identifying any areas of dispute and determining the process for bringing any claim or proposed settlement forward for consideration by the stakeholders and the Court.
63. CNR Counsel and the Monitor are planning to meet in the week commencing May 1, 2017, to determine the next steps to address the 2014 Reorganization.

### **ALLOCATION ISSUES**

64. As the Court is aware, various approval and vesting orders issued in the CCAA Proceedings specifically provide that the transactions were approved without prejudice to the rights of creditors to object to the allocation of proceeds. Accordingly, prior to any distribution to creditors it will be necessary to obtain a final determination of the appropriate allocation of the proceeds of realizations among each of the CCAA Parties and amongst various asset classes.
65. Furthermore, it will be necessary for an appropriate allocation of the costs of the CCAA Proceedings among each of the CCAA Parties and amongst various asset classes to be determined.
66. As noted in its Thirty-First Report, the Monitor provided its recommendation for a proposed allocation methodology to the CCAA Parties and that recommendation was under consideration by the CCAA Parties.

**MOTION FOR THE ISSUANCE OF AN  
ORDER AUTHORIZING THE MONITOR TO  
ENTER INTO THE TOLLING AGREEMENT  
(EXHIBIT R-2)**

## TOLLING AGREEMENT

This Agreement is made as of June 21, 2017 (the "**Effective Date**") between on the first part Cliffs Natural Resources Inc. ("**CNR**") including, for the purposes of this Agreement, any subsidiary body corporate and any affiliated body corporate of CNR (collectively the "**Cliffs Parties**"), as these terms are defined in the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "**CBCA**"), as well as any predecessor of CNR including for greater certainty Cleveland-Cliffs International Holding Company, Cliffs (Gibraltar) Limited, Cliffs (Gibraltar) Holdings Limited, Cliffs (Gibraltar) Holdings Limited Luxembourg SCS, Cliffs Natural Resources Luxembourg S.à r.l., Cliffs Finance Lux SCS, Cliffs International Luxembourg I Sarl, Cliffs Subscription LLC and Cliffs Canada Finance ULC, but excluding the Bloom Lake CCAA Parties (as hereinafter defined) and the Wabush CCAA Parties (as hereinafter defined), and on the second part FTI Consulting Canada Inc. in its capacity as court-appointed monitor (as described below):

### **WITNESSETH:**

**WHEREAS** on January 27, 2015 an order (as amended from time to time, the "**Bloom Lake Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-30 (the "**CCAA**") was rendered with regards to Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited, Cliffs Quebec Iron Mining ULC ("**CQIM**"), The Bloom Lake Iron Ore Mine Limited Partnership, and Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**") by the Québec Superior Court for the District of Montréal (the "**Court**");

**WHEREAS** on May 20, 2015 an order (as amended from time to time, the "**Wabush Initial Order**") under the CCAA was rendered with regards to Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company, and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**") by the Court;

**WHEREAS** pursuant to the Bloom Lake Initial Order and the Wabush Initial Order, FTI Consulting Canada Inc. has been appointed as the monitor of the Bloom Lake CCAA Parties and the Wabush CCAA Parties (the "**Monitor**");

**WHEREAS** in December 2014, a multi-stage corporate reorganization was implemented to which CQIM and certain Cliffs Parties were parties (the "**2014 Reorganization**");

**WHEREAS** the Monitor has commenced "without prejudice" discussions with legal counsel to the Cliffs Parties with respect to the 2014 Reorganization and its effect on the CQIM estate and its creditors with a view to agreeing the factual matrix of the 2014 Reorganization and discussing any potential claims arising therefrom or from other transactions involving the Cliffs Parties and the Bloom Lake CCAA Parties or the Wabush CCAA Parties (the "**Potential Claims**");

**WHEREAS** the Cliffs Parties and the Monitor have mutually agreed to defer initiating legal proceedings or, in the case of the Monitor, taking any steps necessary to authorize or provide the required legal capacity to commence such proceedings with regards to the Potential Claims while settlement discussions are continuing; and

**WHEREAS** the Cliffs Parties and the Monitor (on its own behalf and on behalf of any trustee in bankruptcy that may be appointed over any of the Bloom Lake CCAA Parties and for any other person on whose behalf the Monitor may be authorized by the Court to commence a proceeding or pursue a claim) wish to suspend the running of any unexpired limitation periods existing in respect of the Potential Claims and all defences, counterclaims and cross-claims connected with or that otherwise might be pleaded in any action related to any of the Potential Claims;

**NOW, THEREFORE**, the Cliffs Parties and the Monitor intending to be legally bound, and in consideration of their mutual covenants herein, agree as follows:

1. Nothing herein shall be construed as an admission of liability by the Cliffs Parties.
2. Cliffs Parties hereby renounce and waive the benefit of any time limitation period or delay defence, whether established by law, statute, regulation, at common law, in equity or otherwise, which is applicable to any of the Potential Claims and which has, may have begun to run or which may begin to run at a future date and which has not elapsed as of the Effective Date but only for the period that commences six months prior to the Effective Date and ends on the Effective Date (the "Renunciation Period"). Cliffs Parties further agree that in defending any suit or suits that may be filed by any holder of a Potential Claim (including, without limitation, the Monitor, on its own behalf or on behalf of any other person as may be authorized by the Court, or any trustee in bankruptcy that may be appointed over any of the Bloom Lake CCAA Parties, or any creditor of the Bloom Lake CCAA Parties) with respect to the Potential Claims, they will not plead, assert or raise in any manner whatsoever any time-related defence based, in whole or in part, upon any time limitation period or part thereof that includes the renunciation of the Renunciation Period.
3. The entering into of this Agreement by the Cliffs Parties is not an acknowledgement or admission that there is or could be any merit to any of the Potential Claims. Cliffs Parties shall not be deemed by this Agreement to have waived, and this Agreement shall be without prejudice to, any defences, counterclaims and cross-claims to any and all claims that may be asserted by any holder of a Potential Claim (including, without limitation, the Monitor, on its own behalf or on behalf of any other person as may be authorized by the Court, or any trustee in bankruptcy that may be appointed over any of the Bloom Lake CCAA Parties, or any creditor of the Bloom Lake CCAA Parties) other than those time-related defences waived pursuant to this Agreement, or to have waived any claim or defence of any nature other than those time-related defences waived pursuant to this Agreement in respect of any person or entity that is not a party to this Agreement with respect to the Potential Claims.
4. Nothing herein shall be construed as preventing any holder of a Potential Claim, (including, without limitation, the Monitor, on its own behalf or on behalf of any other person as may be authorized by the Court, or any trustee in bankruptcy that may be appointed over any of the Bloom Lake CCAA Parties, or any creditor of the Bloom Lake CCAA Parties) from commencing or permitting or causing to commence, at any time whatsoever and in its sole discretion, directly or indirectly, alone or in concert with others, any action, suit or proceeding of any kind against Cliffs Parties.

5. Any party to this Tolling Agreement may terminate its participation in this Tolling Agreement on twenty-one (21) days' notice by providing written notice of its intention to terminate its participation in this Tolling Agreement to the other parties.
6. This Agreement binds the parties, their successors and assigns and any subsidiary or affiliated corporation or body corporate, as those terms are defined in the CBCA, excluding the Bloom Lake CCAA Parties and the Wabush CCAA Parties.
7. This Agreement shall be construed and enforced according to the laws of the Province of Québec and the laws of Canada in force in the Province of Québec.
8. Each of the parties hereto expressly and irrevocably submits to the exclusive jurisdiction of the Courts of the Province of Québec sitting in the judicial district of Montréal solely with respect to this Agreement but without prejudice to the right of any party to this agreement or any holder of a Potential Claim to argue jurisdictional issues in respect of a Potential Claim.
9. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. Any such counterpart may be delivered by facsimile, telecopier, email in PDF format or similar transmission and if so delivered shall be deemed to be an original document.
10. Each Party represents and warrants to the other that it has all requisite power and authority to enter into this Agreement to perform its obligations and that this Agreement has been duly authorized, executed and delivered by it and constitutes a valid and binding obligation, enforceable against it in accordance with its terms.
11. CNR is signing this Agreement on behalf of all of its subsidiaries.
12. The Monitor intends to seek authority to sign this Agreement and approval of this Agreement from the Court as soon as possible on a *nunc pro tunc* basis. The CNR Parties agree that they will consent to any such Order of the Court, including any portion of such Order that confirms the benefits of this Agreement extend to any holder of a Potential Claim, (including, without limitation, the Monitor, on its own behalf or on behalf of any other person as may be authorized by the Court, or any trustee in bankruptcy that may be appointed over any of the Bloom Lake CCAA Parties, or any creditor of the Bloom Lake CCAA Parties).
13. The creditors, any trustee in bankruptcy and the stakeholders of the Bloom Lake CCAA Parties or any party on whose behalf the Monitor may be authorized by the Court to commence a proceeding in respect of a Potential Claim are the intended third party beneficiaries of this Agreement.
14. The parties hereto acknowledge that they have requested that this Agreement be drawn up in the English language. *Les parties aux présentes reconnaissent avoir requis que la présente entente soit rédigée en anglais.*

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement, effective as of the date first mentioned above.

Signed this 21<sup>st</sup> day of June, 2017  
in the City of Toronto, Ontario

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



Per: Nigel D. Mankin  
Senior Managing Director

Per: \_\_\_\_\_

Signed this 21<sup>st</sup> day of June, 2017  
in the City of Cleveland, Ohio

CLIFFS NATURAL RESOURCES INC.



Per: James D. Graham  
Executive Vice President,  
Chief Legal Officer & Secretary



Per: Timothy K. Runyan  
EVP - CFO

**MOTION FOR THE ISSUANCE OF AN  
ORDER AUTHORIZING THE MONITOR TO  
ENTER INTO THE TOLLING AGREEMENT  
(EXHIBIT R-3)**

**SUPERIOR COURT**  
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: \_\_\_\_\_, 2017

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

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**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

-and-

**FTI CONSULTING CANADA INC.**

Monitor



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**ORDER**

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- [1] **ON READING** the Monitor's *Motion for the Issuance an Order Authorizing the Monitor to Enter Into the Tolling Agreement* (the "**Motion**"), the affidavit and the exhibits in support thereof;
- [2] **CONSIDERING** the previous reports of the Monitor dated January 26, 2015 (paras 12 and 13), October 27, 2015 (paras 43-46), April 13, 2016 (paras 67 and 68), October 6, 2016 (paras 23, 93, 168-170 and 174), January 24, 2017 (paras 25, 76 and 80) and April 26, 2017 (paras 62 and 63), communicated *en liasse* as Exhibit R-1 in support of the Motion;
- [3] **CONSIDERING** that in December 2014, Cliffs Natural Resources Inc. ("**CNR**") implemented a complex, multi-stage corporate reorganization involving Cliffs Quebec Iron Mining ULC ("**CQIM**") and former Australian subsidiaries of CQIM (the "**2014 Reorganization**");
- [4] **CONSIDERING** that the Monitor has commenced "without prejudice" discussions with legal counsel to the Cliffs Parties (as hereinafter defined) with a view to agreeing the factual matrix of the 2014 Reorganization and discussing any potential claim arising therefrom or from other transactions involving the Cliffs Parties and Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited, CQIM, The Bloom Lake Iron Ore Mine Limited Partnership, or Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**") or Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company, or Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**") (the "**Potential Claims**");
- [5] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act*;

**FOR THESE REASONS, THE COURT HEREBY:**

- [6] **GRANTS** the Motion;
- [7] **DECLARES** that sufficient prior notice of the presentation of the Motion has been given to the interested parties;
- [8] **AUTHORIZES** the Monitor, on a *nunc pro tunc* basis, to enter into the Tolling Agreement (Exhibit R-2) with CNR, the latter having executed the Tolling Agreement on its own behalf and on behalf of any subsidiary body corporate, any affiliated body corporate and any of its predecessors (collectively, the "**Cliffs Parties**");
- [9] **ORDERS** that the Cliffs Parties are hereby barred from raising any time limitation period or delay defence, whether established by law, statute, regulation, at common law, in equity or otherwise, which is applicable to any of the Potential Claims and which has, may have begun to run or which may begin to run at a future date and which has not elapsed as of June 21, 2017 (the "**Effective Date**"), but only for the period that commences six months prior to the Effective Date and ends on the Effective Date;

- [10] **DECLARES** that the Tolling Agreement is intended to benefit the creditors, any trustee in bankruptcy and the stakeholders of the Bloom Lake CCAA Parties and any other party on whose behalf the Monitor may be authorized by this Court to commence a proceeding in respect of a Potential Claim;
- [11] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security;
- [12] **THE WHOLE WITHOUT COSTS**, save in case of contestation.

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**STEPHEN W. HAMILTON J.S.C.**

Date of hearing: \_\_\_\_\_, 2017

Mtre Sylvain Rigaud  
Norton Rose Fulbright Canada LLP  
Attorneys for the Monitor