

CANADA

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. 36, as amended)

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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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**MOTION FOR THE ISSUANCE OF A PLAN FILING AND MEETINGS ORDER**

(Sections 4, 5, 6, and 11 of the *Companies' Creditors Arrangement Act*)

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**TO THE HONOURABLE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONOURABLE  
JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR  
THE DISTRICT OF MONTRÉAL, THE PETITIONERS AND THE MISES-EN-CAUSE SUBMIT:**

**1. DEFINITIONS**

1. The capitalized terms not otherwise defined in this Motion shall have the meanings ascribed to them in Schedule “A” of the Plan (as defined below), Exhibit R-2;

**2. INTRODUCTION**

2. By way of the present Motion, the Petitioners, Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation (“**Quinto**”), Cliffs Québec Mining ULC (“**CQIM**”), Wabush Iron Co. Limited (“**Wabush Iron**”), Wabush Resources Inc. (“**Wabush Resources**”) and the Mises-en-cause, The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”), Wabush Mines, Arnaud Railway Company (“**Arnaud**”) and Wabush Lake Railway Company (“**Wabush Railway**”) (as such parties may be consolidated for the purposes of the Plan, collectively, the “**Participating CCAA Parties**”) seek the issuance of a Plan Filing and Meetings Order (as defined below), *inter alia*, (i) accepting the filing of the Participating CCAA Parties’ Plan (as defined below) in these CCAA Proceedings, (ii) authorizing the Participating CCAA Parties to convene Meetings for the purposes of voting on the Plan and setting out various procedures related to the holding of such Meetings.
3. To enable the calculation of the cash available to distribute under the proposed Plan and the establishment of appropriate reserves as contemplated by the proposed Plan, the Participating CCAA Parties also seek by way of a distinct motion the issuance of an order approving a post-filing claims process (the “**Post-Filing Claims Procedure Order**”) to call for any post-filing claims against the CCAA Parties and post-filing D&O Claims against the Directors and Officers of the CCAA Parties, in each case arising in the period post-CCAA filing and not otherwise covered by the Amended Claims Procedure Order (the “**Post-Filing Claims Process**”).

**3. PROCEDURAL BACKGROUND**

4. 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 the CCAA Proceedings pursuant to the CCAA in respect of the Petitioners CQIM, BLGP, BLLP, Quinto, 8568391 Canada Limited (“**8568391**”) and the Mises-en-cause BLLP and Bloom Lake Railway Company (“**BLRC**”) (collectively, the “**Bloom Lake CCAA Parties**”), the whole as appears from the Court record.
5. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor to the businesses and financial affairs of the Bloom Lake CCAA Parties (the “**Monitor**”) and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the “**Bloom Lake Stay Period**”).
6. On February 20, 2015 and on April 17, 2015, Mr. Justice Stephen W. Hamilton amended the Bloom Lake Initial Order, *inter alia*, extending the Bloom Lake Stay Period to April 30, 2015 and then to July 31, 2015, the whole as appears from the Court record.

7. On May 20, 2015, Mr. Justice Hamilton issued an Initial Order (as subsequently amended, rectified and/or restated the “**Wabush Initial Order**”) extending the scope of the CCAA Proceedings to the Petitioners, Wabush Iron and Wabush Resources and the Mises-en-cause Wabush Mines and Arnaud (collectively, the “**Wabush CCAA Parties**”, and collectively with the Bloom Lake CCAA Parties, the “**CCAA Parties**”), the whole as appears from the Court record.
8. Pursuant to the Wabush Initial Order, *inter alia*, the Monitor was appointed as the monitor to the businesses and financial affairs of the Wabush CCAA Parties and a stay of proceedings was granted until June 19, 2015 (the “**Wabush Stay Period**”; collectively with the Bloom Lake Stay Period, the “**Stay Period**”).
9. The Stay Period has been extended on several occasions, most recently to March 30, 2018, the whole as appears from the Court record.
10. The CCAA Parties have sought by separate *Motion for the Issuance of an Order Extending the Stay Period* filed on March 14, 2018 (the “**Stay Extension Motion**”) in the CCAA Proceedings a further extension of the Stay Period to June 29, 2018.

#### 4. THE PLAN FILING AND MEETINGS ORDER

11. The Participating CCAA Parties seek the issuance of an Order (the “**Plan Filing and Meetings Order**”) substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Draft Plan Filing and Meetings Order**”), which provides, *inter alia*, for:
  - a) authorizing the filing of the “Joint Plan of Compromise and Arrangement” in respect of the Participating CCAA Parties, communicated herewith as **Exhibit R-2** (the “**Plan**”);
  - b) authorizing the Participating CCAA Parties to convene Meetings of each Unsecured Creditor Class (defined below) of the Participating CCAA Parties, said Meetings having to be held in the fashion further described below;
  - c) approval of (i) the notice and documentation to be sent to Affected Unsecured Creditors in respect of the Meetings; and (ii) and the procedure for the conduct of the Meetings;
  - d) the scheduling of a hearing for the sanctioning of the Plan on May 22, 2018 (the “**Plan Sanction Hearing**”);
  - e) approval of the limited substantive consolidation of (i) CQIM and Quinto, (ii) BLGP and BLLP, and (iii) Wabush Iron, Wabush Resources and Wabush Mines for the purposes of voting and distributions under the Plan as described below;
  - f) approval of the classification of Affected Unsecured Creditors of each Participating CCAA Party in the manner described below; and
  - g) other ancillary orders and declarations.
12. The Participating CCAA Parties have been informed by the Monitor that it will file a report in support of this Motion.

## 5. THE PROPOSED PLAN

### 5.1 Overview of the Proposed Plan

13. The Participating CCAA Parties, with the support of the Monitor and the Parent and its former and current direct and indirect subsidiaries and affiliates that are not CCAA Parties (collectively, with the Parent, the “**Non-Filed Affiliates**” or “**Plan Sponsors**”), intend to present the Plan to Affected Unsecured Creditors of each Participating CCAA Party.
14. The Plan seeks to implement the principal terms of a settlement between the Participating CCAA Parties and Non-Filed Affiliates, as negotiated between the Monitor and the Non-Filed Affiliates and as set out in a restructuring term sheet dated March 14, 2018 (as may be amended, restated and supplemented from time to time, the “**Restructuring Term Sheet**”), communicated herewith as **Exhibit R-3**. The Restructuring Term Sheet is summarized in the CCAA Parties’ Stay Extension Motion.
15. Subsequent to the Stay Extension Motion, it was discovered that Schedule “A” to the Restructuring Term Sheet, being the summary of Non-Filed Affiliate Unsecured Interco Claims, inadvertently included a Non-Filed Affiliate Unsecured Interco Claim held by Knoll Lake Minerals Limited (“**Knoll Lake**”) against Wabush Iron and Wabush Resources. Knoll Lake was not a wholly-owned subsidiary and the shares in Knoll Lake held by Wabush Iron and Wabush Resources were transferred to the purchaser of the Scully Mine as part of the Scully Mine Transaction in July 2017.
16. The parties have agreed, with the Monitor’s consent, to replace Schedule “A” with a corrected schedule which removes the Knoll Lake claim. The Monitor has informed the CCAA Parties that the removal of the Knoll Lake claim results in a de minimus impact to the estimated distributions to Affected Third Party Unsecured Creditors under the Plan. Schedule “B” to the Plan reflects the corrected schedule.
17. The proposed Plan is a joint plan that will be subject to approval by a single class of Affected Unsecured Creditors for each Participating CCAA Party, except as such parties are proposed to be consolidated for the purposes of the proposed Plan as set out below (each an “**Unsecured Creditor Class**”):
  - a) CQIM/Quinto Unsecured Creditor Class: Affected Unsecured Creditors of CQIM or Quinto;
  - b) Bloom Lake Parties Unsecured Creditor Class: Affected Unsecured Creditors of BLGP or BLLP;
  - c) Wabush Mines Parties Unsecured Creditor Class: Affected Unsecured Creditors of WICL, WRI or Wabush Mines;
  - d) Arnaud Unsecured Creditor Class: Affected Unsecured Creditors of Arnaud; and
  - e) Wabush Railway Unsecured Creditor Class: Affected Unsecured Creditors of Wabush Railway.
18. Each Unsecured Creditor Class will include trade creditors, landlords, suppliers of services, claims of former employees, Deficiency Claims of Secured Creditors, and

damage claims arising from the repudiation or resiliation by the Participating CCAA Parties of contracts during the CCAA Proceedings, and all other unsecured creditors.

19. The Participating CCAA Parties propose that Meetings of Affected Unsecured Creditors for each Unsecured Creditor Class be held on May 10, 2018 at the office of the Monitor's counsel, Norton Rose Fulbright Canada, 1 Place Ville Marie, Suite 2500, Montréal, Québec H3B 1R1, said Meetings being held at the following times and in the manner further described below.
  - a) Meetings of CQIM/Quinto Parties Unsecured Creditor Class and the Bloom Lake Parties Unsecured Creditor Class shall be held concurrently at 9:30 a.m.; and
  - b) Meetings of Wabush Mines Parties Unsecured Creditor Class, Wabush Railway Unsecured Creditor Class and Arnaud Unsecured Creditor Class shall be held concurrently at 11:00 a.m.
20. If approved, sanctioned and implemented, the proposed Plan will:
  - a) resolve 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) resolve potential claims between the CCAA Parties and Non-Filed Affiliates, including the Non-Filed Affiliate Transaction Matters (as defined below), without the significant time and expense of litigation and the litigation and collection risks associated therewith;
  - c) provide significant additional monetary recovery to Affected Third Party Unsecured Creditors;
  - d) accelerate a timely distribution to Affected Third Party Unsecured Creditors of the CQIM/Quinto Parties and the Bloom Lake Parties, as soon as reasonably practicable after Plan Implementation; and
  - e) accelerate a timely distribution to Affected Third Party Unsecured Creditors of the Wabush CCAA Parties, as soon as reasonably practicable after the Pension Priority Proceedings are Finally Determined.
21. A critical component of the Proposed Plan is the involvement of the Non-Filed Affiliates as Plan Sponsors. The Non-Filed Affiliates are significant creditors of the Participating CCAA Parties having asserted claims pursuant to the Amended Claims Procedure Order in excess of \$2 billion against the Participating CCAA Parties. Since the Monitor's Thirty-Ninth Report dated September 11, 2017, these amounts have been adjusted based on the Monitor's review of the Non-Filed Affiliate Claims and are summarized in Schedules "A" and "B" to the Restructuring Term Sheet, respectively. Pursuant to the Proposed Plan, the Non-Filed Affiliate Claims would be set at the amounts listed on Schedule "A" and "B" to the Restructuring Term Sheet if the Proposed Plan is implemented.
22. If the proposed Plan is approved, sanctioned and implemented, the Non-Filed Affiliates will contribute all amounts to which they would otherwise be entitled to the CQIM/Quinto

Unsecured Creditors Cash Pool, which will significantly increase recoveries for Affected Third Party Unsecured Creditors with Proven Claims against the CQIM/Quinto Parties (as defined below). In addition, the Parent, individually, or in connection with other Non-Filed Affiliates, will contribute \$5 million to the Participating CCAA Parties' Unsecured Creditor Cash Pools.

23. As stated in the Monitor's Forty-Third Report filed in connection with the Stay Extension Motion, the Monitor estimates, based on current information, that the total incremental amount available to Affected Third Party Unsecured Creditors in the event that the proposed Plan is implemented would be in the range of approximately \$62 million to \$100 million.
24. As a result of the proposed contributions by the Non-Filed Affiliates under the proposed Plan and acting as Plan Sponsors, the proposed Plan provides that the Non-Filed Affiliates will receive a full and final release of matters relating to the CCAA Parties, as set out in more detail the proposed Plan.
25. The proposed Plan does not affect the claims as asserted against certain of the Non-Filed Affiliates and their directors (i) by the United Steelworkers in proceedings commenced by Jim Skinner and Brian Gaulton in the Supreme Court of Newfoundland and Labrador (Trial Division (General) under Court File No. 2017 01 G 4310 CP; and (ii) as asserted in proceedings titled *Neil Johnson et al. v. Cliffs Mining Company et al.*, Supreme Court of Newfoundland and Labrador, No. 2017 01G4037 CP.
26. The proposed Plan is being put forward by the Participating CCAA Parties on the basis that it will (a) maximize creditor recovery taking into account the cost, delay and litigation and recovery risk associated with potential claims that would be settled pursuant to the Plan and delays associated with any further dispute regarding the value of intercompany claims by the Non-Filed Affiliates and the CCAA Parties and (b) facilitate the wind-down of the CCAA Proceedings in a timely and cost efficient manner, once the issues relating to Pension Claims that are the subject matter of the Pension Priority Proceedings are Finally Determined.

### **Background**

27. Over the course of these CCAA Proceedings, the CCAA Parties have undertaken extensive efforts to maximize the value of their assets for the benefit of all creditors.
28. With the completion of the sale of the Scully Mine in July 2017, asset realizations by the CCAA Parties are substantially complete, subject to miscellaneous residual assets and the collection of potential tax refunds.
29. With the exception of certain sale proceeds distributed, or to be distributed, to parties with Proven Secured Claims or other Proven Priority Claims and amounts expended on operating costs and the fees and expenses of these CCAA Proceedings, the Monitor currently holds the net sale proceeds from these transactions determined in accordance with the Allocation Methodology (defined below), as may be amended by the Final Determination of the Vermont Allocation Appeal, together with any cash on hand at the commencement of these CCAA Proceedings that has not been expended and accrued interest on the foregoing.

30. As at the date hereof, the following material outstanding items remain to be completed in the CCAA Proceedings:
- a) resolution of any claims that may exist against Non-Filed Affiliates, including (without limitation) in respect of the following matters as identified by the Monitor in its Twelfth Report and Nineteenth Report:
    - i) a series of reorganization transactions entered into between certain of the 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
    - ii) certain other payments made by the CCAA Parties to certain Non-Filed Affiliates during the statutory review period provided under Sections 95 and 96 of the *Bankruptcy and Insolvency Act* (Canada) and Section 36.1 of the CCAA on account of debts owing to those certain Non-Filed Affiliates in an aggregate amount of approximately US\$30.6 million,  
  
(together, the “**Non-Filed Affiliate Transaction Matters**”);
  - b) resolution of the quantum of remaining claims, including material claims of certain Non-Filed Affiliates and certain CCAA Parties, that have not yet been Finally Determined in accordance with Amended Claims Procedure Order;
  - c) determining the proper characterization of claims of certain Non-Filed Affiliates and certain CCAA Parties filed pursuant to the Amended Claims Procedure Order;
  - d) resolution 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 CCAA Parties’ pension plans and for the wind-up deficit under the Wabush CCAA Parties’ pension plans (the “**Pension Priority Proceedings**”); and
  - e) distribution of the net proceeds of asset realizations, the remaining balance of cash on hand at the commencement of the CCAA Proceedings, and accrued interest on the foregoing, as determined in accordance with the Allocation Methodology, by way of interim distributions, as expeditiously as possible, and by way of final distributions after completion of all remaining matters in the CCAA Proceedings.
31. The Monitor has informed the CCAA Parties that during the negotiation process with the Non-Filed Affiliates, the Monitor consulted with Quebec North Shore and Labrador Railway Company, Inc. (“**QNS&L**”), the largest single third party unsecured creditor of CQIM, BLGP, BLLP, Wabush Iron and Wabush Resources, regarding the potential terms of settlement of the Non-Filed Affiliate Transaction Matters and the claims filed by the Non-Filed Affiliates that QNS&L would be prepared to support.

32. The Monitor's negotiations with the Non-Filed Affiliates culminated in the execution of the Restructuring Term Sheet.
33. The proposed Plan resolves the above-described outstanding matters, with the exception of the Pension Priority Proceedings. The proposed Plan will not determine the issues relating to the Pension Claims that are the subject matter of the Pension Priority Proceedings; however, the proposed Plan will govern the treatment of the Pension Claims for voting and distribution purposes, in the case of the latter when the aforesaid issues are Finally Determined.

### ***The Proposed Plan***

34. The proposed Plan is a joint plan that provides for distinct distributions with respect to Affected Unsecured Creditors of each Participating CCAA Party without substantive consolidation, except with respect to the proposed consolidation for the purposes of the Plan of the following Participating CCAA Parties: (i) CQIM and Quinto (the "**CQIM/Quinto Parties**"); (ii) BLGP and BLLP (the "**Bloom Lake Parties**"); and (iii) Wabush Iron, Wabush Resources and Wabush Mines (the "**Wabush Mines Parties**"). Arnaud and Wabush Lake are not consolidated under the proposed Plan.
35. The Monitor has informed the CCAA Parties that there are no Proven Affected Third Party Unsecured Claims or Unresolved Claims against Quinto arising from the claims process conducted in accordance with the Amended Claims Procedure Order. The only Proven Affected Unsecured Claims filed against Quinto are from a CCAA Party, BLLP, in the *de minimus* amount of \$11,465, and from the Parent and another Non-Filed Affiliate in the aggregate amount of approximately \$16.9 million.
36. While the proposed consolidation of CQIM and Quinto has the effect of diluting the pro rata distributions to the Parent and the other Non-Filed Affiliate, any such distributions under the proposed Plan are intended to be contributed by such Non-Filed Affiliates to the CQIM/Quinto Parties under the proposed Plan and therefore should have no impact on the distributions available to Affected Third Party Unsecured Creditors of CQIM. The Monitor has informed the Participating CCAA Parties that based upon the claims filed in the claims process, there does not appear to be any material prejudice to any of CQIM, Quinto's or BLLP's third party creditors as a result of the proposed consolidation. Therefore, the Participating CCAA Parties believe it is appropriate to consolidate CQIM and Quinto for the purposes of the Plan.
37. With respect to the proposed consolidation of (i) BLGP and BLLP, and (ii) Wabush Iron, Wabush Resources and Wabush Mines, the Monitor has informed the CCAA Parties that the third party creditor groups of these entities, as identified through the claims process, are substantially the same such that the proposed consolidation for the purposes of the proposed Plan will not materially prejudice any of the third party unsecured creditors of any of these entities and will result in administrative efficiency. Moreover, and as already more fully explained in the Monitor's Thirty-Sixth Report dated May 26, 2017 in support of the CCAA Parties Motion for an Order approving an Allocation Methodology, the Wabush Mines joint venture is not a legal entity and does not consequently have any assets and liabilities in its own right. Accordingly, any realization and costs notionally allocated to Wabush Mines shall be allocated to the joint venturers, Wabush Iron and Wabush Resources, which supports the consolidation of these entities as segregation of these entities would not lead to materially different outcomes.



### ***Proposed Plan Contributions of Plan Sponsors***

38. As mentioned above, if the proposed Plan is approved and implemented, the Non-Filed Affiliates, as Plan Sponsors, have agreed to contribute significant monetary amounts for the benefit of Affected Third Party Unsecured Creditors with Proven Claims. These contributions consist of:
- a) a cash contribution from the Parent, individually, or in connection with other Non-Filed Affiliates, on the Plan Implementation Date to fund additional distributions to Affected Third Party Unsecured Creditors of the Participating CCAA Parties under the proposed Plan in the amount of CDN\$5 million (the “**Non-Filed Affiliate Cash Contribution**”), which will be allocated as follows: CDN\$4 million to the CQIM/Quinto Unsecured Creditor Class (as defined above) and CDN\$1 million to be allocated to the other Unsecured Creditor Classes of the other Participating CCAA Parties pro-rata based upon the Proven Affected Third Party Unsecured Claims in each such other Unsecured Creditor Class;
  - b) contribution of any amounts distributed to the Non-Filed Affiliates from time to time under the proposed Plan on account of the Affected Unsecured Claims certain of the Non-Filed Affiliates have filed in the CCAA Proceedings against the Participating CCAA Parties (the “**Non-Filed Affiliate Unsecured Interco Claims**”) for re-distribution to other Affected Unsecured Creditors (including the Participating CCAA Parties) of the CQIM/Quinto Parties with Proven Affected Third Party Unsecured Claims; and
  - c) contribution of any amounts distributed to the Non-Filed Affiliates as payments on the Allocated Value of their Secured Claims as determined in accordance with the Allocation Methodology against the Participating CCAA Parties to the CQIM/Quinto Parties for re-distribution to Affected Unsecured Creditors (including the Participating CCAA Parties) of the CQIM/Quinto Parties with Proven Affected Unsecured Claims (the amounts in clauses (b) and (c), together, “**Non-Filed Affiliate Distribution/Payment Contribution**”).
39. The Monitor has informed the Participating CCAA Parties that the aggregate total dollar value of the Non-Filed Distribution/Payment Contribution to be contributed to the CQIM/Quinto Parties’ Affected Third Party Unsecured Creditors under the proposed Plan by the Non-Filed Affiliates to be in the range of \$57million to \$95 million.<sup>1</sup>

### ***Proposed Payment to Secured Creditors***

40. Secured Creditors holding Proven Secured Claims, including the Non-Filed Affiliates in respect of their Non-Filed Affiliate Secured Interco Claims, over an asset of the Participating CCAA Parties (other than the Wabush CCAA Parties) will be paid their Allocated Value from the sale proceeds realized from such asset, net of costs allocated to such asset pursuant to the Allocation Methodology approved by order of the Court in these CCAA proceedings dated July 25, 2017 (as may be amended by the Final Determination of the Fermont Allocation Appeal), as soon as practicable following the

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<sup>1</sup>The estimated range of value for Non-Filed Affiliate Distribution/Payment Contribution is subject to the same qualifications set out in the Monitor’s Report, to be filed.

Plan Implementation Date. Any Deficiency Claims will be treated as Affected Unsecured Claims under the proposed Plan and will be entitled to the distributions payable to Affected Unsecured Claims under the proposed Plan.

41. Payments to Secured Creditors holding Proven Secured Claims, including the Non-Filed Affiliates in respect of their Non-Filed Affiliate Secured Interco Claims, over an asset of the Wabush CCAA Parties will be made as soon as practicable only after the Final Determination of the issues relating to Pension Claims in the Pension Priority Proceedings. Such payments will be calculated in the same manner described above for other Secured Claims.

***Proposed Plan Distributions to Affected Unsecured Creditors***

42. As noted above, the Monitor has informed the CCAA Parties that it estimates that the total overall increase in the aggregate amounts that would be distributed to Affected Third Party Unsecured Creditors in the event that the proposed Plan is implemented would likely be in the range of approximately \$62 million to \$100 million.
43. Distributions under the proposed Plan in respect of Proven Affected Third Party Unsecured Claims against the Participating Bloom Lake CCAA Parties will begin as soon as practicable after the Plan Implementation Date and will continue until the Final Distribution Date.
44. Distributions under the proposed Plan in respect of Proven Affected Unsecured Claims against the Wabush CCAA Parties, including any Proven Affected Third Party Unsecured Creditors and Non-Filed Affiliate Unsecured Interco Claims, will be made as soon as practicable only after the Final Determination of the issues relating to Pension Claims that are the subject matter of the Pension Priority Proceedings.
45. Creditors holding Unresolved Claims will only receive distributions on account of their Affected Unsecured Claim once such Claim is Finally Determined in accordance with the Amended Claims Procedure Order.

***Proposed Payment of Employee Priority Claims and Government Priority Claims***

46. In accordance with sections 6(3), 6(5) and 6(6) of the CCAA, Section 5.8 of the Plan provides for the payment of any Employee Priority Amounts and the Government Priority Claims as soon as reasonably practicable on or after the Plan Implementation Date.
47. The CCAA Parties are not aware of the existence of any amounts outstanding of the type described above and the proposed Post-Filing Claims Process, in respect of which the CCAA Parties seek the Court's approval, will determine any such claims.
48. The Participating CCAA Parties believe the recoveries contemplated under the proposed Plan are superior to the recoveries that Affected Third Party Unsecured Creditors would likely receive under any alternative scenario without the Non-Filed Affiliate Cash Contribution and Non-Filed Affiliate Distribution/Payment Contribution being made to Affected Third Party Unsecured Creditors of the Participating CCAA Parties by the Non-Filed Affiliates taking into account the litigation and recovery risk associated with potential claims that would be settled pursuant to the Plan and delays associated with

any further dispute regarding the value of intercompany claims by the Non-Filed Affiliates and the CCAA Parties.

49. In light of the foregoing, the Participating CCAA Parties hereby seek an order as part of the Plan Filing and Meetings Order that the proposed Plan be accepted for filing by the Court and that the Participating CCAA Parties be authorized and directed to present the proposed Plan to the Affected Unsecured Creditors for their consideration and to seek the approval thereof.

## **5.2 The Meetings and Notice Thereof**

50. The proposed Plan Filing and Meetings Order authorizes the Participating CCAA Parties to convene the following Meetings of Affected Unsecured Creditors to vote on the proposed Plan:
- a) Meetings of CQIM/Quinto Parties Unsecured Creditor Class and the Bloom Lake Parties Unsecured Creditor Class shall be held concurrently on May 10, 2018 at 9:30 a.m.; and
  - b) Meetings of Wabush Mines Parties Unsecured Creditor Class, Wabush Railway Unsecured Creditor Class and Arnaud Unsecured Creditor Class shall be held concurrently on May 10, 2018 at 11:00 a.m.

### **Notification**

51. Notice of the Meetings will be provided to Affected Unsecured Creditors. Pursuant to the proposed Order, it is proposed that the Monitor will:
- a) By April 6, 2018, send the following Meeting Materials in English and in French to Unaffected Unsecured Creditors by regular mail, courier or email:
    - i) the Plan Filing and Meetings Order, substantially in the form of the Draft Plan Filing and Meetings Order (Exhibit R-1);
    - ii) the Plan, substantially in the form of Exhibit R-2;
    - iii) the Creditor Letter, substantially in the form of Schedule “B” to the Draft Plan Filing and Meetings Order;
    - iv) the Report of the Monitor describing the Plan;
    - v) the Resolution, substantially in the form of Schedule “E” to the Draft Plan Filing and Meetings Order;
    - vi) the Notice of Creditors’ Meeting and Sanction Hearing, substantially in the form of Schedule “C” to the Draft Plan Filing and Meetings Order; and
    - vii) the Proxy, substantially in the form of Schedule “D” to the Draft Plan Filing and Meetings Order; and
  - b) Forthwith publishing on the Website an electronic copy of the Meeting Materials and send a copy of the Meeting Materials to the Service List.

52. With respect to notice to former employees of the Participating CCAA Parties, the proposed Plan Filing and Meetings Order contemplates that Salaried Members Representative Counsel and counsel to the United Steelworkers will provide to the Monitor the names and addresses of the Employees holding Affected Unsecured Claims for the purposes of distributing the Meeting Materials to them.

### ***Conduct of the Meetings***

53. The proposed Plan Filing and Meetings Order provides that a representative of the Monitor will preside as the Chair of each Meeting and, subject to any further Order of this Court, will decide all matters relating to the conduct of each Meeting. The Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at each Meeting. A person designated by the Monitor will act as secretary at each Meeting.
54. The only Persons entitled to notice of, to attend and speak at the Meetings are Eligible Voting Creditors of the applicable Unsecured Creditor Class (or their respective duly appointed Proxy holders), representatives of the Monitor, the Participating CCAA Parties, all such parties' financial and legal advisors, the Chair of the Meeting, and the secretary and any scrutineers appointed by the Chair. Any other Person may only be admitted to the Meetings on invitation of the Participating CCAA Parties or the Monitor.

### ***Voting***

55. Only Eligible Voting Creditors (or their proxy holders) are entitled to vote at each Meeting. Eligible Voting Creditors consist of Affected Unsecured Creditors that hold Eligible Voting Claims, being either Proven Affected Unsecured Claims or Unresolved Affected Unsecured Claims.
56. The voting procedures were designed to provide a fair opportunity for Eligible Voting Creditors to register their vote for or against the Plan. The proposed Plan Filing and Meetings Order provides, *inter alia*:
- a) The Chair will direct a vote on the Resolution to approve the Plan and any amendments or variations thereto;
  - b) The quorum required at each Meeting will be one Eligible Voting Creditor present at each Meeting in person or by proxy;
  - c) An Eligible Voting Creditor is entitled to attend the applicable Meeting in person or may appoint another person to attend the Meeting as its proxyholder.
  - d) If an Eligible Voting Creditor wishes to appoint another person as its proxy for the purposes of voting at the Meeting, such Eligible Voting Creditor must submit to the Monitor a completed Proxy form by no later than 5:00 pm (Eastern Time) on May 8, 2018 (the "**Proxy Deadline**");
  - e) Each Eligible Voting Creditor with a Voting Claim will be entitled to one vote equal to the dollar value of its Proven Affected Unsecured Claim at the applicable Meeting;

- f) Each Eligible Voting Creditor holding an Unresolved Voting Claim will be entitled to one vote at the applicable Meeting equal to the dollar value as follows:
  - i) the amount set out in such Eligible Voting Creditor's Proof of Claim if no Notice of Allowance or Notice of Revision or Disallowance has been issued by the Monitor;
  - ii) the amount set out in the Notice of Revision or Disallowance issued by the Monitor in respect of such Claim if no Notice of Dispute has been filed; or
  - iii) the amount set out in the Notice of Dispute in respect of such Claim if a Notice of Dispute has been timely filed.
  - iv) the Monitor shall keep a separate record of votes cast by Eligible Voting Creditors in respect of Unresolved Affected Unsecured Claims and shall report to the Court with respect thereto at the sanction hearing by providing the separate tabulation for the Unresolved Affected Unsecured Claim.
- g) An Affected Unsecured Creditor may transfer or assign the whole of its Affected Unsecured Claim prior to the Meetings for voting purposes, provided that neither the Participating CCAA Parties nor the Monitor will be obligated to give notice to or otherwise deal with the transferee or assignee unless the transferee or assignee has complied with the procedures set out in the proposed Plan Filing and Meetings Order.
- h) The proposed Plan Filing and Meetings Order also contemplates an order accepting as Allowed Claims for the purposes of the Plan: (i) the Non-Filed Affiliates Unsecured Interco Claims, as set out in Schedule "F" to the draft Order, subject to any increase in claim amounts or additional claims on account of Deficiency Claims, (ii) the Non-Filed Affiliate Secured Interco Claims, subject to the application of the Allocation Methodology and any adjustments arising from the Final Determination of the issues relating to Pension Claims that are the subject matter of the Pension Priority Proceedings, up to the amount set out in Schedule "G" to the draft Order, and (iii) the CCAA Party Pre-Filing Interco Claims, as set out in Schedule "H" to the draft Order.
- i) In accordance with the CCAA, the Non-Filed Affiliates and Participating CCAA Parties, as related parties, are not entitled to vote their Voting Claims in favour of the proposed Plan. Pursuant to the Restructuring Term Sheet, such Non-Filed Affiliates have agreed not to vote against the proposed Plan provided that it is consistent with the Restructuring Term Sheet.

***Amendments to the Proposed Plan***

- 57. The proposed Plan Filing and Meetings Order provides that the Participating CCAA Parties are authorized to make and to file any Plan Modification prior to or at the Meetings in accordance with the terms of the proposed Plan, in which case any such Plan Modification will form part of and be incorporated into the proposed Plan.

### **Approval and Sanction of the Proposed Plan**

58. For the proposed Plan to be approved, each Unsecured Creditor Class must vote to approve the proposed Plan by the Required Majority. Following the vote at each Meeting, the Monitor will tally the votes and determine whether the proposed Plan has been approved by the Required Majority of each Unsecured Creditor Class. The results of the Meeting will be binding on all Affected Unsecured Creditors, whether or not such Affected Unsecured Creditor was present or voted at the applicable Meeting.
59. In the event the proposed Plan is approved by the Required Majority of each Unsecured Creditor Class, the Participating CCAA Parties will bring a motion on May 22, 2018 (or such later date as is acceptable to the Participating CCAA Parties, the Parent and the Monitor) seeking an order sanctioning the proposed Plan, substantially in the form attached as Schedule “E” to the Plan (the “**Sanction Order**”).
60. After the Meetings have been held and no later than May 14, 2018, the Monitor will provide a report to the Court with respect to: (i) the results of the voting at the Meetings, (ii) whether the Required Majority of each Unsecured Creditor Class has approved the Plan, and (ii) in its discretion, any other matters relating to the Participating CCAA Parties’ motion seeking the Sanction Order (the “**Sanction Order Motion**”). A copy of the Monitor’s report will be posted on the Website prior to the Sanction Order Motion.
61. The proposed Plan Filing and Meetings Order contemplates providing detailed information to Affected Unsecured Creditors regarding the proposed Plan, a reasonable amount of time for such Creditors to review and consider the proposed Plan, and proposes to conduct the Meetings for Affected Unsecured Creditors in accordance with well-established procedures that have been utilized in other CCAA Proceedings. Accordingly, the Participating CCAA Parties believe it is appropriate that this Court approve the proposed Plan Filing and Meetings Order.

### **6. THE CCAA PARTIES NOT PARTICIPATING IN THE PROPOSED PLAN**

62. The Petitioners, 8568391 and BLRC, are not proposing to participate in the proposed Plan, because as set out in more detail below they do not have any creditors as determined by the Claims Process conducted pursuant to the Amended Claims Procedure Order.

#### **6.1 8568391**

63. 8568391 is a corporation incorporated pursuant to the laws of Canada, as appears from the company profile communicated herewith as **Exhibit R-4**.
64. 8568391 is a wholly-owned subsidiary of CQIM.
65. At the time of the Bloom Lake Initial Order, 8568391 had no employees and that remains the case at the date of this Motion.
66. 8568391’s only purpose was to hold bare legal title to the Mont Wright Camp and related assets located at Mont Wright (the “**Mont Wright Camp**”) near the iron ore mine and processing facility located approximately 13 kilometres north of Fermont, Québec, in the Labrador Trough, known as the Bloom Lake mine (the “**Bloom Lake Mine**”). 8568391 owns no assets beneficially.

67. The sale of the Mont Wright Camp to 10165581 Canada Inc. was authorized pursuant to an Approval and Vesting Order issued on May 16, 2017, the whole as it more fully appears from the Court record, and closed that same date.
68. As disclosed in the Fortieth Report of the Monitor dated October 6, 2017 (the “**Monitor’s Fortieth Report**”), 8568391 has no creditors as determined by the Claims Process conducted pursuant to the Amended Claims Procedure Order. The CCAA Parties are not aware of any post-filing claims against 8568391 and to their knowledge no such claims have been asserted. The proposed Post-Filing Claims Process will determine if there are any valid claims.
69. Upon the conclusion of the Post-Filing Claims Process, assuming no allowed or unresolved claims are filed in that process against 8568391, the CCAA Parties intend to seek the Court’s authorization to wind-up and dissolve 8568391 and upon such dissolution, seek that 8568391 be declared to no longer benefit from or be subject to the Bloom Lake Initial Order, all as part of the relief being sought in the Sanction Order.

## **6.2 BLRC**

70. BLRC is a corporation incorporated pursuant to the laws of Newfoundland and Labrador as appears from the company profile report communicated herewith as **Exhibit R-5**.
71. BLRC is a wholly-owned subsidiary of CQIM.
72. The rail assets comprising the Bloom Lake Railway were owned by CQIM.
73. BLRC’s primary business was the operation of a short-line railway comprising a 32 kilometre rail spur contained wholly within Newfoundland & Labrador (the “**Bloom Lake Railway**”). The Bloom Lake Railway connected the Bloom Lake Mine to the railway generated by Northern Land Company Limited. (the “**Northern Land Railway**”), the Québec North Shore & Labrador operated railway (the “**QNS&L Railway**”), and ultimately to the railway owned by Arnaud Railway Company (an affiliate of the Petitioners) (the “**Arnaud Railway**”) running from the junction where the Arnaud Railway meets the QNS&L Railway north of the Town of Sept-Iles, Québec, to the Bay of Sept-Iles, Québec, for the transport of iron ore concentrate to the Leased Port Premises and ultimately to the Pointe-Noire Port located at the Port of Sept-Iles.
74. BLRC suspended operations in December 2014 and has no employees.
75. The sale of the Bloom Lake Railway as part of the sale of the Bloom Lake Mine to Investissement Québec and Société Ferroviaire et Portuaire de Pointe-Noire S.E.C. was authorized pursuant to an Approval and Vesting Order issued on February 1, 2016, the whole as it more fully appears from the Court record, and closed on April 11, 2016.
76. As disclosed in the Monitor’s Fortieth Report, BLRC has no creditors as determined by the Claims Process conducted in accordance with the Amended Claims Procedure Order. The CCAA Parties are not aware of any post-filing claims against BLRC and to their knowledge no such claims have been asserted. The proposed Post-Filing Claims Process will determine if there are any such valid claims.

77. As noted above, the CCAA Parties are not aware of any post CCAA filing claims against BLRC and none have been asserted. Upon the conclusion of the Post-Filing Claims Process, assuming no allowed or unresolved claims are filed in that process against BLRC, or there is sufficient cash in BLRC to pay any allowed claims Finally Determined against it, the CCAA Parties intend to seek the Court's authorization to wind-up and dissolve BLRC and upon such dissolution, seek that BLRC be declared to no longer benefit from or be subject to the Bloom Lake Initial Order, all as part of the relief being sought in the Sanction Order.
78. BLRC has net proceeds of approximately \$570,000 from the sale of the Bloom Lake Railway assets after application of the Allocation Methodology.
79. As part of the proposed winding-up and dissolution process, BLRC would transfer the aforementioned monies to CQIM as BLRC's sole shareholder.

## 7. PROCEDURAL MATTERS

80. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.
81. Pursuant to paragraph 54 of the Bloom Lake Initial Order and to paragraph 56 of the Wabush 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. Each motion must specify a date (the "**Initial Return Date**") and time for the hearing.
82. The CCAA Parties hereby requests from this Court that this delay be abridged in order to allow this Motion to be properly presentable on March 26th, when the CCAA Parties' Stay Extension Motion will be presented. The presentation of this Motion at that time would expedite the process to present the Proposed Plan at the Meetings. The CCAA Parties note that the requested Plan Filing and Meetings Order relates primarily to procedural matters associated with the Proposed Plan and not substantive matters of creditors' rights under the Proposed Plan, which will be the subject of the Meetings and the Sanction Order Motion.
83. The service of the present Motion serves as notice pursuant to paragraph 54 of the Bloom Lake Initial Order and paragraphs 47 and 56 of the Wabush Initial Order.
84. Paragraph 55 of the Bloom Lake Initial Order and paragraph 57 of the Wabush Initial Order require that any Person wishing to object to the relief sought on a motion in the CCAA Proceedings must serve responding motion materials or a notice stating the objection to the motion and grounds for such objection (a "**Notice of Objection**") in writing to the moving party and the Monitor, with a copy to all persons on the service list, no later than 5 p.m. Montréal time on the date that is four (4) calendar days prior to the Initial Return Date (the "**Objection Deadline**"). Accordingly, any parties wishing to object to the relief sought on this Motion must serve responding motion materials or a Notice of Objection by no later than 5 p.m. Montréal time on March 22, 2018.
85. With respect to any Person who may wish to object to the Proposed Plan, they will also have the opportunity to do by serving a Notice of Objection prior to the applicable objection deadline for the sanction hearing that will be held on May 22, 2018.



86. Paragraph 56 of the Bloom Lake Initial Order and paragraph 58 of the Wabush Initial Order further provide that if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion may determine whether a hearing is necessary, whether such hearing will be in person, by telephone or in writing and the parties from whom submissions are required (collectively, the "**Hearing Details**").
87. Paragraph 57 of the Bloom Lake Initial Order and paragraph 59 of the Wabush Initial Order provide that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

**8. CONCLUSIONS**

88. In light of the foregoing, the Petitioners hereby respectfully seek:
- a) the issuance of an Order substantially in the form of the Draft Plan Filing and Meetings Order (Exhibit R-1), which provides, *inter alia*, for the Court's authorization to file the Plan, and the Court's authorization to hold the Meetings pursuant to the procedures therefor; and
  - b) the scheduling of a Plan Sanction Hearing to be held on May 22, 2018;
89. The Petitioners also seek declarations that any prior delay for the presentation of this Motion is abridged and validated so that this Motion is properly returnable on March 26, 2018, with a dispensation from further service thereof.
90. The present Motion is well founded in fact and in law.

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

**GRANT** the present Motion;

**DECLARE** that any delay for presentation of this Motion is hereby abridged in order that this Motion is properly returnable on March 26, 2018, with a dispensation from further service thereof;

**ISSUE** an order substantially in the form of the Draft Plan Filing and Meetings Order (Exhibit R-1) communicated in support hereof;

**SET** a hearing for the sanctioning of the Plan on May 22, 2018;

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

Montréal, March 19, 2018

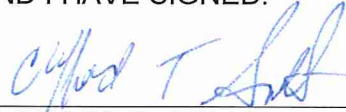
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**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Petitioners and the Mises en cause

**AFFIDAVIT**


I, the undersigned, **CLIFFORD T. SMITH**, the Executive Vice-President and a director of Bloom Lake General Partner Limited and Cliffs Québec Iron Mining ULC, the President and a director of Bloom Lake Railway Company Limited and 8568391 Canada Limited, the President of Wabush Resources Inc., the President and a director of Wabush Iron Co. Limited, the Vice-President and a director of Arnaud Railway Company Limited and Wabush Lake Railway Company Limited, and a director of Quinto Mining Corporation, having a place of business at 1 Place Ville Marie, Bureau 3000, Montréal, Québec, H3B 4N8, solemnly affirm that all the facts alleged in the present *Motion for the Issuance of a Plan Filing and Meeting Order*.

AND I HAVE SIGNED:



\_\_\_\_\_  
**CLIFFORD T. SMITH**

SOLEMNLY DECLARED before me at  
Cleveland, Ohio, on this  
19<sup>th</sup> day of March, 2018

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

**ANNETTE ANTHONY**  
**NOTARY PUBLIC**  
**STATE OF OHIO**  
Recorded in  
Cuyahoga County  
My Comm. Exp. 11/12/2022

**NOTICE OF PRESENTATION**

TO: Service List

**TAKE NOTICE** that the request **for the issuance of a Plan Filing and Meetings Order** pursuant to the *Motion for the Issuance of a Plan Filing and Meetings Order* 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 **March 26, 2018**, at a time and in a room to be determined.

**TAKE NOTICE** that the request **for the issuance of a Sanction Order** pursuant to the *Motion for the Issuance of a Plan Filing and Meetings Order* 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 **May 22, 2018**, at a time and in a room to be determined.

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, March 19, 2018

  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Petitioners and the Mises en cause

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF **MONTREAL**

**SUPERIOR COURT**

Commercial Division

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

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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 of a Plan Filing and Meetings Order*)

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**R-1** Draft Plan Filing and Meeting Order;

**R-2** Plan;

- R-3 Restructuring Term Sheet;
- R-4 Company profile for 8568391;
- R-5 Company profile for BLRC.

Montréal, March 19, 2018



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**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Petitioners and the Mises-en-cause