

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No: 500-11-048114-157

SUPERIOR COURT  
(Commercial Division)

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IN THE MATTER OF THE  
*COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, 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 QUEBEC  
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

-and-

MICHAEL KEEPER, TERENCE WATT,  
DAMIEN LEBEL AND NEIL JOHNSON

OBJECTING PARTIES-Mises-en-cause

-and-

UNITED STEELWORKERS, LOCAL 6254,  
UNITED STEELWORKERS, LOCAL 6285

Mises-en-cause

-and-

MORNEAU SHEPELL  
Mise-en-cause

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**NOTICE OF OBJECTION BY THE REPRESENTATIVES OF THE SALARIED  
EMPLOYEES AND RETIREES TO THE MOTION BY THE MONITOR FOR THE  
ISSUANCE OF AND ORDER APPROVING THE ALLOCATION METHODOLOGY  
AND OTHER RELIEF**  
**(Sections 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36)**

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TO THE HONOURABLE MR. JUSTICE STEPHEN W. HAMILTON, J.S.C., OR TO ONE OF THE HONOURABLE JUDGES SITTING IN THE COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE OBJECTING PARTIES-MISES-EN-CAUSE RESPECTFULLY SUBMIT THE FOLLOWING:

In accordance with the procedure for motions in paragraph 55 of the Amended Initial CCAA Order dated February 20, 2015, Representative Counsel to the court-appointed Representatives to the non-union employees and retirees (the "**Salaried Members**") of the Wabush CCAA Parties object to the Motion by the Monitor for the "Issuance of an Order Approving the Allocation Methodology and Other Relief" (the "**Allocation Motion**") returnable on May 31, 2017, on the following basis.

1. The motion seeks approval of a proposed methodology for the allocation of assets relating to the estates of all the CCAA Parties, both Bloom Lake and Wabush Mines, and other relief. The Monitor's 36<sup>th</sup> Report was served on May 26, 2017;
2. Representative Counsel requires additional time to review the motion, the requested relief, its impact on creditors' claims in particular, the claims of the employees and pension plan members, and on future distributions from the different estates. Representative Counsel also requires additional time to further discuss these issues with counsel to the Newfoundland Superintendent of Pensions, counsel to Morneau Shepell (the replacement plan administrator), counsel to the United SteelWorkers, and other affected stakeholders;
3. Representative Counsel requests a reasonable adjournment of the motion to allow for further discussions with the other pension stakeholders, Monitor, and other affected

stakeholders to address issues that arise from the Allocation Motion including, but not limited to:

- a) Additional information is required relating to the proposed Allocation Methodology. The CCAA Parties are seeking approval to allocate funds to each of the CCAA Parties' estates based on Purchase Price Allocations that are set out in each of the past sale transactions. However, we understand that a Purchase Price Allocation is not included in every transaction. Additional information is required on the proposed allocation for such transactions. Further, a number of the Purchase Price Allocations remain redacted and their values are not known, nor can they be assessed;
- b) Paragraphs 16 to 18 of the Allocation Motion do not mention the Pension Plan Administrator's statutory lien and charge under subsection 34(4) of the *Pension Benefits Act*, 1997, SNL 1996, c. P-4.01 (the "NPBA") in respect of amounts owing by Wabush Mines to the Salaried Pension Plan. Under section 34(4), this secured claim is over "the assets of the employer". The "employer" under the Salaried Pension Plan are Wabush Mines, Cliffs Mining Company, Managing agent, Arnaud Railway Company, and Wabush Lake Railway Company Limited. The Motion refers only to the secured claims of certain municipalities for Outstanding Property Taxes, leaving an impression that there are no other statutory secured claims against the CCAA Parties. Additional information is required on the proposed treatment of the Administrator's secured claim;
- c) The CCAA Parties are also moving for authorization to pay undisputed Outstanding Property Taxes. Representative Counsel requires additional information on these proposed payments to ensure that no payments derive from any assets against which the Salaried Members have outstanding employee, OPEB and pension benefit loss claims;

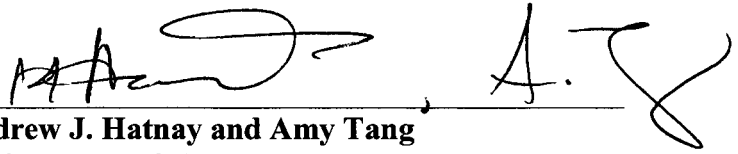
- d) Representative Counsel requires confirmation that any order sought in the Allocation Motion does not have the effect of crystallizing and/or determining unresolved pension priorities as of the date of the issuance of such an order;
- 4. At the appropriate time and, if necessary, Representative Counsel can submit substantive arguments to such effect that the allocation plan in the Allocation Methodology Order is inappropriate based on the Salaried Members outstanding claims;
- 5. Representative Counsel reserves their rights to raise other grounds for opposition, if necessary, in respect of the matters raised in the Motion for Directions;
- 6. This Notice of Objection is well founded in fact and in law.

**FOR THESE REASONS THE OBJECTING PARTIES-MISES-EN-CAUSE ASKS THAT THIS HONOURABLE COURT:**

- [A] **GRANT** the present Notice of Objection;
- [B] **ADJOURN** the Initial Return Date for the Allocation Motion until such time as Representative Counsel have had the full opportunity to review all information relative to this motion with the Monitor and other affected stakeholders;
- [C] **DISMISS** the Motion and require the CCAA Parties to provide such additional information as is necessary for Representative Counsel to make an informed decision on the appropriateness of the proposed Allocation Methodology.

**THE WHOLE WITHOUT COSTS, EXCEPT IN THE CASE OF CONTESTATION.**

Toronto, May 26, 2017

Handwritten signatures of Andrew J. Hatnay and Amy Tang. The signature on the left is for Andrew J. Hatnay, and the signature on the right is for Amy Tang. A horizontal line is drawn across the page, passing through the bottom of the signatures.

**Andrew J. Hatnay and Amy Tang**  
**KOSKIE MINSKY LLP**

*Court-appointed Representative Counsel for the  
OBJECTING PARTIES-Mises-en-cause Michael Keeper,  
Terence Watt, Damien Lebel and Neil Johnson*

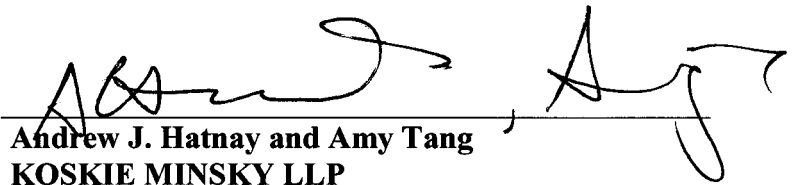
**NOTICE OF PRESENTATION**

**TO: SERVICE LIST**

**TAKE NOTICE** that the present *Notice of Objection to the Motion for the Issuance of an Order Approving the Allocation Methodology and Other Relief* will be presented for adjudication before The Honourable Mr. Justice 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 Montreal, at the Montreal Courthouse located at 1 Notre-Dame Street East, Montreal, Québec, **May 31, 2017** at a room and at a time to be determined.

**GOVERN YOURSELF ACCORDINGLY.**

TORONTO, May 26, 2017



Two handwritten signatures in black ink are positioned above a horizontal line. The signature on the left is for Andrew J. Hatnay, and the signature on the right is for Amy Tang.

**Andrew J. Hatnay and Amy Tang**  
**KOSKIE MINSKY LLP**

*Court-appointed Representative Counsel for the  
OBJECTING PARTIES-Mises-en-cause Michael  
Keeper, Terence Watt, Damien Lebel and Neil  
Johnson*

N° / No.: 500-11-048114-157

SUPERIOR COURT  
(COMMERCIAL DIVISION)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, 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

- and -

MICHAEL KEEPER, TERENCE WATT, DAMIEN LABEL & NEIL JOHNSON

REPRESENTATIVES-Mis-en-cause

- and -

UNITED STEEL WORKERS, LOCAL 6254, UNITED STEELWORKERS, LOCAL 6285

- and -

MORNEAU SHEPELL

- and -

HER MAJESTY IN RIGHT OF NEWFOUNDLAND & LABRADOR, AS REPRESENTED BY THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS

- and -

THE ATTORNEY GENERAL OF CANADA, ACTING ON BEHALF OF THE OFFICE OF SUPERINTENDENT OF FINANCIAL INSTITUTIONS

- and -

REGIE DES RENTES DU QUEBEC

Mis-en-cause

NOTICE OF OBJECTION BY THE REPRESENTATIVES OF THE SALARIED EMPLOYEES AND RETIREES TO THE MOTION BY  
THE MONITOR FOR THE ISSUANCE OF AND ORDER APPROVING THE ALLOCATION METHODOLOGY AND OTHER RELIEF  
(Sections 11 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36)

M<sup>ES</sup> NICHOLAS SCHEIB, ANDREW HATNAY AND AMY TANG

Co-Attorneys for the Representatives-Mis-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson

AS-0G41

*Scheib Legal | Étude Légale*  
600 de Maisonnette O. | W., #1700  
Montréal, Québec H3A 3J2  
T:514.297.2631 | F:514.360.2790  
nick@scheib.ca

*Kostie Minsky LLP/ SENCRL*  
20 Queen O. | W., #900  
Toronto, Ontario M5H3R3  
T:416-595-2083 | F:416-542-6288  
ahatnay@kmlaw.ca | atang@kmlaw.ca