

Tadlaoui, Ouassim

De: Rigaud, Sylvain <sylvain.rigaud@nortonrosefulbright.com>
Envoyé: January-06-16 12:06 PM
À: Gagnon, François D.
Cc: Tadlaoui, Ouassim; Gerry Apostolatos (Gerry.Apostolatos@lkd.ca); Nigel Meakin (Nigel.Meakin@fticonsulting.com); Bissell, Steven; Ashby, Chrystal
Objet: In the matter of the CCAA of Bloom Lake General Partner Ltd. - Our file: 296328-000001 [OR-ÉDRMS.FID6772167]
Pièces jointes: BLLP and BLGP Claims.pdf; B00138 - POC - COMMISSION SCOLAIRE DU FER - 12.11.2015.pdf; Preuve_de_Réclamation_[Ville de Fermont].pdf; CCSSI 1 - Proof_of_Claim_Cliffs Canadian Shared Services Inc. #44.pdf; CIMC 1 - Proof_of_Claim_Cliffs International Management Company LLC #26,#49,#57.pdf; CMC 2 - Proof_of_Claim_Cliffs Mining Company LLC #1,62,29,31,40,48.pdf; CMSC 1 - Proof_of_Claim_Cliffs Mining Services Company #27,50.pdf; CNRI 2 - Proof_of_Claim_Cliffs Natural Resources Inc. #28,30,36,39,47,55.pdf; CNRP 2 - Proof_of_Claim_Cliffs Natural Resources Pty Ltd #45.pdf; CQIM 1 - Proof_of_Claim_Cliffs Quebec Iron Mining #13,#18.pdf; NMC 1 - Proof_of_Claim_Northshore Mining Company #20,43.pdf; QMC 1 - Proof_of_Claim_Quinto Mining Corporation #15,#16.pdf; WMJV 1 - Proof_of_Claim_Wabush Mines Joint Venture #2,3,6,7.pdf

Importance: Haute

Dear confrère,

In reply to your questions in relation to the Monitor's Fifteenth Report (the "Report") and to the Motion for the Issuance of an Approval and Vesting Order with respect to the Sale of Certain Assets (the "AVO Motion"), we refer you to the following:

➤ Claims registry, including name of creditor, amount of claim, status of claim with respect of Bloom Lake LP and Bloom Lake GP:

- Attached (BLLP and BLGP Claims)

➤ Copy of claims filed on behalf of Fermont Municipality and School board commissions:

- Attached (Commission Scolaire du Fer and Ville de Fermont)

➤ Related party claims filed in relation to Bloom Lake LP:

- Attached (Cliffs Canadian Shared Services Inc., Cliffs Mining Company LLC, Cliffs Natural Ressources Inc., Cliffs Quebec Iron Mining, Quinto Mining Corporation, Cliffs International Management Company LLC, Cliffs Mining Services Company, Cliffs Natural Ressources Pty Ltd, Northshore Mining Company and Claim Wabush Joint Venture)

➤ Background and explanation for the breakdown of the sale proceeds in the table at paragraph 65 of the Report:

- The CCAA Parties, in consultation with the Monitor, provided the Purchaser with categories amongst which it was considered that it would be necessary or desirable for the cash purchase price to be allocated for tax and/or distribution purposes. The Purchaser formulated and provided

its allocation, which formed the basis of the disclosure in paragraph 65 of the Report. The allocation has not been agreed by the Vendors at the time of writing. We also refer you to allocation set out at Schedule R of the December 11, 2015 Asset Purchased Agreement (R-6 in support of the AVO Motion).

The Monitor notes that the amounts payable to specific creditors or groups of creditors will be subject to a future Motion for the Approval of Distributions or plan(s) of arrangement and is not the subject of the AVO Motion.

We specifically wish to refer to said paragraph 65 of the Report which reads as follows:

65. Based on the preliminary allocation of the Cash Purchase Price provided by the Bloom Lake Purchaser, the following proceeds, before allocation of costs, would potentially be available to various groups of creditors of the Bloom Lake Vendors from the Bloom Lake Transaction if it is approved and closes:

(emphasis added)

	\$M
Secured Creditors:	
Property Tax Creditors	4.0
Construction Hypotech Creditors	1.5
Equipment Finance Creditors	n/a
Unsecured Creditors (including deficiency claims of secured creditors)	5.0
Total Cash Purchase Price	10.5

Note: Allocation subject to change

We also wish to refer you to paragraphs 12, 16, 22 and 24 of the draft Approval and Vesting Order (R-5 in support of the AVO Motion) providing for the vesting of the Purchased Assets* with the Purchaser* and that the Net Proceeds* shall stand in the place and stead of the Purchased Assets* and that all Encumbrances* except for the Permitted Encumbrances* shall attach to the Net Proceeds*, with the same priority as they had with respect to the Purchased Assets* immediately prior to the Closing*. The draft Approval and Vesting Order (R-5 in support of the AVO Motion) only provides for the payment of Cure Costs*, applicable GST/HST/QST (if any) and the Sale Advisor Fee*.

The eventual distribution of the Net Proceeds* (after payment of the Sale Advisor Fee*) and allocation of costs will be either be effected through (a) plan(s) of arrangement or by way of a Motion for the Approval of Distributions at a later stage. The creditors will entitle to assert their rights over the Net Proceeds* (after payment of the Sale Advisor Fee*) and make arguments regarding the appropriate allocation at that time.

*As defined in the draft Approval and Vesting Order.

➤ Confirmation of the ending cash balance as of December 18, 2015 with respect to Bloom Lake LP:

- C\$115,761 and US\$17,164,238

Best regards,

Sylvain Rigaud
Partner

Norton Rose Fulbright Canada s.e.n.c.r.l., s.r.l. / LLP
1, Place Ville Marie, bureau 2500, Montréal, QC H3B 1R1, Canada
T : +1 514.847.4702 | F : +1 514.286.5474
sylvain.rigaud@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

De : Gagnon, François D. [<mailto:FGagnon@blg.com>]

Envoyé : 5 janvier 2016 10:07

À : Rigaud, Sylvain

Cc : Tadlaoui, Ouassim; Ashby, Chrystal

Objet : In the matter of the CCAA of Bloom Lake General Partner Ltd. - Our file: 296328-000001

Importance : Haute

Cher confrère,

Suite à la lecture du 15^{ème} rapport du contrôleur (le « **Rapport** »), et afin de permettre à nos clientes de prendre position eu égard à la *Motion for the Issuance of an Approval and Vesting Order with respect to the Sale of Certain Assets* (la « **Requête** »), nous souhaitons obtenir certains documents et informations, en l'occurrence :

• Une copie du registre des réclamations reçues par le contrôleur suite au processus de réclamations, incluant le nom du créancier, le montant réclamé, le statut réclamé (chirographaire ou garanti), mais seulement eu égard aux entités désignées *Bloom Lake LP* et *Bloom Lake GP* au tableau à la page 19 du Rapport.

• Une copie des preuves de réclamation déposés par la municipalité de Fermont, ainsi que par les commissions scolaires pertinentes.

• Une copie des preuves de réclamation des entités liées (« Related Party Claims ») déposées eu égard à Bloom Lake LP.

• Une explication du tableau se trouvant au paragraphe 65 du rapport, et plus particulièrement, la mécanique du partage du produit de la vente entre les « Property Tax Creditors », les « Construction Hypothec Creditors » et les créanciers chirographaires. En effet, considérant l'allocation du prix de vente se trouvant à l'annexe « R » du APA, pièce R-6 au soutien de la Requête, et considérant le fait que, à notre connaissance, une somme de l'ordre de \$15M est due à la seule ville de Fermont à titre de taxes foncières liées à la mine pour l'année 2015, nous ne comprenons pas le calcul contenu à ce tableau.

• Relativement au *Cashflow*, le « Ending Cash Balance » au 18 décembre 2016 eu égard à Bloom Lake L.P. seulement.

Nous réservons le droit de requérir des informations additionnelles.

Vous remerciant d'avance pour votre prompt collaboration, veuillez agréer, cher confrère, nos salutations distinguées.



François D. Gagnon

Partner / Associé

Tél. 514.954.2553 | F / Téléc. 514.954.1905 | Mob. 514.792.5309 | fgagnon@blg.com

1000, rue De La Gauchetière Ouest, Suite / Bureau 900, Montréal, QC, Canada H3B 5H4





Please consider the environment before printing this email. / Veuillez penser à l'environnement avant d'imprimer ce courriel.

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

Ce message est destiné uniquement aux destinataires dûment nommés. Il peut contenir de l'information privilégiée ou confidentielle ou encore de l'information exemptée des obligations de divulgation en vertu du droit applicable. Il est strictement défendu à toute personne qui n'est pas un destinataire dûment nommé de diffuser ce message ou d'en faire une copie. Si vous n'êtes pas un destinataire dûment nommé ou un employé ou mandataire chargé de livrer ce message à un destinataire dûment nommé, veuillez nous aviser sans tarder et supprimer ce message ainsi que toute copie qui peut en avoir été faite. Avertissement : Le courriel qui n'est pas chiffré comme il se doit peut ne pas être protégé.

Le droit à l'échelle mondiale

Law around the world
nortonrosefulbright.com

Norton Rose Fulbright, la marque numéro un des cabinets d'avocats canadiens en fonction de la rétroaction des clients, selon l'indice 2015 d'Acritas.
Norton Rose Fulbright is ranked number one in the client-driven Acritas' Canadian Law Firm Brand Index 2015.

AVIS DE CONFIDENTIALITÉ : Ce courriel est confidentiel et peut être protégé par le secret professionnel. Si vous n'en êtes pas le destinataire visé, veuillez en aviser l'expéditeur immédiatement et le supprimer; vous ne devez pas le copier, ni l'utiliser à quelque fin que ce soit, ni divulguer son contenu à qui que ce soit. Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l. est une société en nom collectif à responsabilité limitée établie au Canada. Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l., Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc et Norton Rose Fulbright US LLP sont des entités juridiques distinctes, et toutes sont membres du Verein Norton Rose Fulbright, un Verein suisse. Le Verein Norton Rose Fulbright aide à coordonner les activités des membres, mais il ne fournit aucun service juridique aux clients. Pour obtenir les détails concernant chaque entité ainsi que certains renseignements réglementaires, consultez le site nortonrosefulbright.com.

CONFIDENTIALITY NOTICE: This email is confidential and may be privileged. If you are not the intended recipient please notify the sender immediately, and please delete it; you should not copy it or use it for any purpose or disclose its contents to any other person. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

Confidentiality Notice:

This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the e-mail or any attachment is prohibited. If you have received this email in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.

Le droit à l'échelle mondiale
Law around the world
nortonrosefulbright.com

Norton Rose Fulbright, la marque numéro un des cabinets d'avocats canadiens en fonction de la rétroaction des clients, selon l'indice 2015 d'Acritas.
Norton Rose Fulbright is ranked number one in the client-driven Acritas' Canadian Law Firm Brand Index 2015.

AVIS DE CONFIDENTIALITÉ : Ce courriel est confidentiel et peut être protégé par le secret professionnel. Si vous n'en êtes pas le destinataire visé, veuillez en aviser l'expéditeur immédiatement et le supprimer; vous ne devez pas le copier, ni l'utiliser à quelque fin que ce soit, ni divulguer son contenu à qui que ce soit. Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l. est une société en nom collectif à responsabilité limitée établie au Canada. Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l., Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc et Norton Rose Fulbright US LLP sont des entités juridiques distinctes, et toutes sont membres du Verein Norton Rose Fulbright, un Verein suisse. Le Verein Norton Rose Fulbright aide à coordonner les activités des membres, mais il ne fournit aucun service juridique aux clients. Pour obtenir les détails concernant chaque entité ainsi que certains renseignements réglementaires, consultez le site nortonrosefulbright.com.

CONFIDENTIALITY NOTICE: This email is confidential and may be privileged. If you are not the intended recipient please notify the sender immediately, and please delete it; you should not copy it or use it for any purpose or disclose its contents to any other person. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.