

(Commercial Division)
SUPERIOR COURT

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

N° : 500-11-048114-157

DATE : April 22, 2016

IN THE PRESENCE OF: THE HONOURABLE STEPHEN W. HAMILTON , S.C.J.

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 LIMITED

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

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-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

BMO TRUST COMPANY

-and-

BEUMER KANSAS CITY, LLC,

-and-

BEUMER CORPORATION

Respondents

HOMOLOGATION ORDER

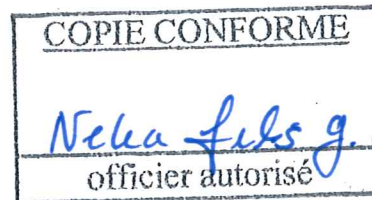
- [1] **THE COURT**, after having examined the Transaction Agreement entered into between The Bloom Lake Iron Ore Mine Limited Partnership ("**Bloom Lake LP**") and Beumer Corporation ("**Beumer**") on April 22, 2016 (the "**Transaction Agreement**") in respect of the *Re-Re-Amended Motion to Obtain the Release of Escrowed Funds*;
- [2] **CONSIDERING** the verbal motion of the parties to homologate the Transaction Agreement (the "**Motion**");
- [3] **CONSIDERING**, the submissions of counsel for the CCAA Parties, Beumer and the Monitor;
- [4] **FOR THESE REASONS, THE COURT:**
- [5] **GRANTS** the Motion.
- [6] **HOMOLOGATES** the Transaction Agreement entered into on April 22, 2016, a copy of which is filed in support of the Motion as **EXHIBIT R-1**.
- [7] **DECLARES** that the Transaction Agreement constitutes the "written agreement executed by both parties" provided for in Article 4.1 of the Escrow Agreement entered into between Beumer and Bloom Lake LP on June 28, 2013.

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- [8] **ORDERS** that the Transaction Agreement be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to any other remedy.
- [9] **DECLARES** that the Transaction Agreement is enforceable and executory and **ORDERS** the parties to the Transaction Agreement to comply with its provisions.
- [10] **EXEMPTS**, if applicable, the parties from having to serve the Motion and from any notice or delay of presentation.
- [11] **ORDERS** the provisional execution of this Order notwithstanding appeal.
- [12] **THE WHOLE** without costs.



STEPHEN W. HAMILTON, S.C.J.



TRANSACTION AGREEMENT

ENTERED INTO BETWEEN:

BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP, a corporation incorporated pursuant to the laws of Ontario, having its head office at Robert-Bourassa, Suite 508, Montréal, Québec

(hereinafter called "**Bloom Lake LP**")

AND:

BEUMER CORPORATION., a duly incorporated company, having a place of business at 4435, Main Street, Suite 1600, Kansas City, Missouri, USA, 64111

(hereinafter called "**Beumer**")

WHEREAS, Beumer and Bloom Lake LP (collectively the "**Parties**") entered into two (2) purchase agreements each dated October 1, 2011 (the "**Purchase Agreements**") for the design and supply of certain conveyor and storage equipment;

WHEREAS, pursuant to the Purchase Agreements, 10% of the amount of each invoice was to be retained and deposit in an escrow account while 5 % was to be payable once acceptance tests will have been passed , the whole representing a total amount of US\$6,330,854.00, (the "**Final Payment**");

WHEREAS, Bloom Lake LP had initially to pay into escrow 10% of the amount of each invoice it was entitled to retain;

WHEREAS, on June 28, 2013, the Parties entered into an escrow agreement (the "**Escrow Agreement**") under which BMO Trust Company was appointed as escrow agent (the "**Escrow Agent**");

WHEREAS, in accordance with the Purchase Agreements, the Final Payment was to be remitted to Beumer at the latest by June 30, 2013;

WHEREAS, pursuant to the Escrow Agreement, Beumer agreed that the Final Payment (plus any interest and less any fees payable to the Escrow Agent) would be held in escrow (the "**Escrowed Funds**") until receipt by the Escrow Agent of (i) a written agreement executed by Bloom Lake LP and Beumer (ii) a final non-appealable order of a court of competent jurisdiction directing delivery of the Escrowed Funds or (iii) a final non-appealable arbitration decision directing delivery of the Escrowed Funds;

WHEREAS, on July 5, 2013, Bloom Lake LP ultimately paid the Retained Amounts into the BMO Trust Company account number 865-22655 (the “**Escrow Account**”);

WHEREAS, on July 12, 2013, Beumer commenced U.S. Federal Court proceedings in Ohio (Civil Action No.: 1:13-cv-01513) against Bloom Lake LP with respect to the Retained Amounts and asserting a claim of US\$1,031,785.12 for additional costs incurred under the Purchase Agreements (the “**Ohio Proceedings**”);

WHEREAS, on December 15, 2014, in the context of the Ohio Proceedings, Bloom Lake LP filed an answer and asserted a counterclaim of US\$12,354,929.50 against Beumer alleging certain performance failures under the Purchase Agreements (the “**Counterclaim**”);

WHEREAS, on January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (as subsequently amended, rectified and/or restated, the “**Initial Order**”) commencing proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) in respect of several petitioners, including Bloom Lake LP (the “**CCAA Proceedings**”);

WHEREAS, pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor (the “**Monitor**”) and a stay of proceedings was granted in favour of CCAA parties, including Bloom Lake LP (the “**Stay Period**”);

WHEREAS, on October 23, 2015, the CCAA parties, including Bloom Lake LP, served and filed a *Motion to obtain the release of the Escrowed Funds* as Re-Re-Amended on April 14, 2016 (the “**Escrow Motion**”) in the context of the CCAA proceedings;

WHEREAS, on December 17, 2015, Beumer served and filed its contestation of the Escrow Motion as amended on April 18, 2016 (the “**Contestation**”);

WHEREAS, on December 18, 2015, Beumer filed a proof of claim on a *de bene esse basis* with the Monitor in the context of the CCAA Proceedings (the “**Beumer Claim**”);

WHEREAS, the Parties wish to enter into a transaction in order to settle the disputes between them, including but not limited to the Ohio Proceedings, the Escrow Motion and the Beumer Claim (hereinafter the “**Transaction**”);

WHEREFORE THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

1. The preamble of the present Transaction shall be considered as an integral part thereof;
2. In full and final payment in capital, interests and costs for any outstanding liabilities and fees payable by Beumer to Bloom Lake LP, including but not limited to any liabilities alleged in the Counterclaim, the Escrow Agent shall release and remit 50% of the Escrowed funds (US\$6,318,685.87 as of March 31, 2016) to Bloom Lake LP (the “**Bloom Lake LP Settlement Payment**”).
3. Concurrently with the remittance of the Bloom Lake LP Settlement Amount, the Escrow Agent shall also remit and release 50% of the Escrowed Funds to Beumer, representing

the full and final payment in capital, interests and costs payable to Beumer Corporation under the Purchase Agreements less the Bloom Lake LP Settlement Payment (the "**Beumer Final Payment**").

4. The Bloom Lake LP Settlement Amount and the Beumer Final Payment are conditional upon receipt of a final order from the Superior Court of Quebec homologating the Transaction (the "**Homologation Order**");
5. The Escrow Agent is hereby expressly authorized and directed to make the Bloom Lake LP Settlement Payment and the Beumer Final Payment within five (5) business days following receipt of the Homologation Order;
6. In consideration of, and contingent upon full receipt of the Bloom Lake LP Settlement Payment and the Beumer Final Payment, the Parties agree to the following:
 - a) The Parties shall file a joint discontinuance of suit in respect of the Ohio Proceedings, with each party paying its own costs;
 - b) Bloom Lake LP shall withdraw the Escrow Motion, without costs;
 - c) Beumer shall withdraw the Beumer Claim in its entirety;
 - d) Beumer release and discharge the legal hypothec registered at the Registry Office for the Registration Division of Saguenay on July 19, 2013 under number 20134490 and undertake to execute any document necessary to provide such release and discharge; and
 - e) Beumer and Bloom Lake LP hereby grant mutual, complete and final release and receipt, and forever discharge each other with respect to all actions, causes of action, claims and demands of any nature whatsoever, directly or indirectly in connection with any rights arising or any amounts owed or alleged to be owed pursuant to their past business relationship, including but not restricted to the Purchase Agreements, the Beumer Claim and the Counterclaim;
7. The parties agree that the present Transaction constitutes a transaction within the meaning of Articles 2631 and following of the *Civil Code of Quebec*;
8. The parties expressly agree and understand that the present Transaction binds and enures to the benefit of their respective officers, directors, shareholders, employees, attorneys, experts, insurers, amalgamated, related or affiliated bodies corporate, assignees, assignors, successors and predecessors in title, acquirers, agents and representatives whether past, present or future;
9. The present Transaction contains and represents the entire agreement between the parties hereto and each of the parties hereto declare that they have read and completely understand the contents and legal effects of this Transaction;


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10. The Parties expressly agree to execute any and all documents that may be required to give effect to this Transaction, including any such documents, if necessary, to release and discharge the construction hypothec registered by Beumer at (i) the Land Registry, *Registration Division of Saguenay* under registration number 20 134 490 and (ii) at the *Register of Real and Immovable Mining Rights* under registration number 55250;
11. This Transaction may be signed in one or more counterparts by the parties hereto, each of which shall be an original, but all of which taken together shall constitute one and the same instrument;
12. The parties acknowledge and agree that they have had the opportunity to consult an attorney on the consequences attached to executing the present Transaction and fully understand same;
13. This Transaction shall be governed by and interpreted in accordance with the laws of the Province of Québec, and shall be subject to the exclusive jurisdiction of the Courts of that Province;
14. The parties hereby recognize having requested that the present document be drafted in the English language. Les parties reconnaissent avoir expressément demandé que le présent document soit rédigé en langue anglaise.

New Jersey, U.S.A., this 22nd day of April 2016 , this 22nd day of April 2016

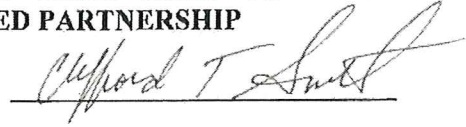
BEUMER CORPORATION

by :


Kathleen Karenko, General Counsel

**BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP**

by :



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