

SUPERIOR COURT
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: November 18, 2016

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

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

CLIFFS QUÉBEC IRON MINING ULC

Petitioner

-and-

IRON ORE COMPANY OF CANADA

Mise-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

APPROVAL AND VESTING ORDER

- [1] **ON READING** the Petitioner's *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the • Report of the Monitor dated •, 2016, (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioner's and the Monitor's attorneys;
- [4] **SEEING** that Cliffs Natural Resources Inc. consents to the Motion, and no creditor has objected to the Motion;

- [5] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated as of November 7, 2016 by and between Cliffs Québec Iron Mining ULC, as vendor (the "**Vendor**") and Iron Ore Company of Canada, as purchaser (the "**Purchaser**"), a redacted copy of which was filed as Exhibit • to the Motion, and vesting in the Purchaser all of Vendor's right, title and interest in and to all of the Purchased Assets (as defined in the Purchase Agreement and listed in **Schedules "B"** and "**B-1**" hereto).

FOR THESE REASONS, THE COURT HEREBY:

- [6] **GRANTS** the Motion.
- [7] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

SERVICE

- [8] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [9] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [10] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor is hereby authorized and approved, *nunc pro tunc*.
- [11] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

AUTHORIZATION

- [12] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no other approval or authorization, including any board or shareholder approval, shall be required in connection therewith.

EXECUTION OF DOCUMENTATION

- [13] **AUTHORIZES AND DIRECTS** the Vendor, Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

VESTING OF THE PURCHASED ASSETS

- [14] **ORDERS AND DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendor should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, or any other applicable legislation providing for a security interest in personal or movable property, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [15] **ORDERS AND DIRECTS** the Monitor, upon receipt of (i) payment in full of the Purchase Price, Transfer Taxes (if any are payable) for remittance to the applicable taxation authorities in accordance with Applicable Law, in the amounts set out in the Conditions Certificates, and (ii) each of the Conditions Certificates, to (a) issue forthwith its Certificate concurrently to the Vendor and the Purchaser; and (b) file forthwith after issuance thereof a copy of the Certificate with the Court.
- [16] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [17] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Purchase Price and to remit the Purchase Price in accordance with the provisions of this Order.

NET PROCEEDS

- [18] **ORDERS** that any amounts payable to the Vendor in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendor pending further order of the Court.
- [19] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after Closing, to remit to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes (if any are payable) received by the Monitor from the Purchaser on Closing as set out in the Conditions Certificates, at the direction of and on behalf of the Vendor.

- [20] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for the Transfer Taxes (if any are payable) that are remitted by the Monitor pursuant to Paragraph 18 of this Order (the “**Net Proceeds**”) shall stand in the place and stead of the Purchased Assets, and that upon the issuance of the Certificate, all 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, as if the Purchased Assets had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the Closing.
- [21] **ORDERS** that, following the issuance of the Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

VALIDITY OF THE TRANSACTION

- [22] **ORDERS** that notwithstanding:
- a) the pendency of the proceedings under the CCAA;
 - b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), and any order issued pursuant to any such petition;
 - c) any application for a receivership order; or
 - d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

LIMITATION OF LIABILITY

- [23] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.
- [24] **DECLARES** that no Action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

GENERAL

- [25] **DECLARES** that the Vendor and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [26] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [27] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
- [28] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
- [29] **ORDERS** the provisional execution of this Order, including without limiting the general application of the foregoing, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS.

STEPHEN W. HAMILTON J.S.C.

M^{re} Bernard Boucher
(Blake, Cassels & Graydon LLP)
Attorneys for the Petitioner

Hearing date: November 18, 2016

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

FORM OF CERTIFICATE OF THE MONITOR

SUPERIOR COURT

(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-048114-157

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

CLIFFS QUÉBEC IRON MINING ULC

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-and-

IRON ORE COMPANY OF CANADA

Mise-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

CERTIFICATE OF THE MONITOR

RECITALS

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Castonguay, J.S.C., of the Superior Court of Québec, Commercial Division (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the "**Initial Order**"), FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").
- B.** Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on •, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of •, 2016 (the "**Purchase Agreement**") by and between Cliffs Québec Iron Mining ULC, as

vendor (the “**Vendor**”) and Iron Ore Company of Canada, as purchaser (the “**Purchaser**”), was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendor's right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).

- C. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- D. The Approval and Vesting Order provides for the vesting of all of the Vendor's right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the “**Certificate**”) issued by the Monitor confirming that the Vendor and the Purchaser have each delivered Conditions Certificates to the Monitor.
- E. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- F. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDOR AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:

1. The Monitor has received (i) payment in full of the Purchase Price, and (ii) payment in full of the Transfer Taxes (if any are payable) payable by the Purchaser on Closing in the amounts set out in the Conditions Certificates, all in accordance with the Purchase Agreement.
2. The Vendor and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred at <TIME> on <*>, 2016.

THIS CERTIFICATE was issued by the Monitor at <TIME> on <*>, 2016.

FTI Consulting Canada Inc., in its capacity as Monitor of the CCAA Parties, and not in its personal or corporate capacity

By: _____
Name: Nigel Meakin

SCHEDULE "B"

NORTH BAY ASSETS

The following 190 railcars (National Steel Car built ore gondolas, specification P-475 and Folio 23429982-A):

	Car Number
1.	CLMX 11295
2.	CLMX 11308
3.	CLMX 11309
4.	CLMX 11310
5.	CLMX 11312
6.	CLMX 11313
7.	CLMX 11314
8.	CLMX 11318
9.	CLMX 11319
10.	CLMX 11320
11.	CLMX 11321
12.	CLMX 11322
13.	CLMX 11323
14.	CLMX 11324
15.	CLMX 11325
16.	CLMX 11326
17.	CLMX 11327
18.	CLMX 11328
19.	CLMX 11329
20.	CLMX 11330
21.	CLMX 11331

	Car Number
22.	CLMX 11332
23.	CLMX 11333
24.	CLMX 11334
25.	CLMX 11335
26.	CLMX 11336
27.	CLMX 11337
28.	CLMX 11338
29.	CLMX 11339
30.	CLMX 11340
31.	CLMX 11341
32.	CLMX 11342
33.	CLMX 11343
34.	CLMX 11344
35.	CLMX 11345
36.	CLMX 11346
37.	CLMX 11347
38.	CLMX 11348
39.	CLMX 11349
40.	CLMX 11350
41.	CLMX 11351
42.	CLMX 11352
43.	CLMX 11353
44.	CLMX 11354
45.	CLMX 11355

	Car Number
46.	CLMX 11356
47.	CLMX 11357
48.	CLMX 11358
49.	CLMX 11359
50.	CLMX 11360
51.	CLMX 11361
52.	CLMX 11362
53.	CLMX 11363
54.	CLMX 11364
55.	CLMX 11365
56.	CLMX 11366
57.	CLMX 11367
58.	CLMX 11368
59.	CLMX 11369
60.	CLMX 11370
61.	CLMX 11371
62.	CLMX 11372
63.	CLMX 11373
64.	CLMX 11374
65.	CLMX 11375
66.	CLMX 11376
67.	CLMX 11377
68.	CLMX 11378
69.	CLMX 11379

	Car Number
70.	CLMX 11380
71.	CLMX 11381
72.	CLMX 11382
73.	CLMX 11383
74.	CLMX 11384
75.	CLMX 11385
76.	CLMX 11386
77.	CLMX 11387
78.	CLMX 11388
79.	CLMX 11389
80.	CLMX 11390
81.	CLMX 11391
82.	CLMX 11392
83.	CLMX 11393
84.	CLMX 11394
85.	CLMX 11395
86.	CLMX 11396
87.	CLMX 11397
88.	CLMX 11398
89.	CLMX 11399
90.	CLMX 11400
91.	CLMX 11401
92.	CLMX 11402
93.	CLMX 11403

	Car Number
94.	CLMX 11404
95.	CLMX 11405
96.	CLMX 11406
97.	CLMX 11407
98.	CLMX 11408
99.	CLMX 11409
100.	CLMX 11410
101.	CLMX 11411
102.	CLMX 11412
103.	CLMX 11413
104.	CLMX 11414
105.	CLMX 11415
106.	CLMX 11416
107.	CLMX 11417
108.	CLMX 11418
109.	CLMX 11419
110.	CLMX 11420
111.	CLMX 11421
112.	CLMX 11422
113.	CLMX 11423
114.	CLMX 11424
115.	CLMX 11425
116.	CLMX 11426
117.	CLMX 11427

	Car Number
118.	CLMX 11428
119.	CLMX 11429
120.	CLMX 11430
121.	CLMX 11431
122.	CLMX 11432
123.	CLMX 11433
124.	CLMX 11434
125.	CLMX 11435
126.	CLMX 11436
127.	CLMX 11437
128.	CLMX 11438
129.	CLMX 11439
130.	CLMX 11440
131.	CLMX 11441
132.	CLMX 11442
133.	CLMX 11443
134.	CLMX 11444
135.	CLMX 11445
136.	CLMX 11446
137.	CLMX 11447
138.	CLMX 11448
139.	CLMX 11449
140.	CLMX 11450
141.	CLMX 11451

	Car Number
142.	CLMX 11452
143.	CLMX 11453
144.	CLMX 11454
145.	CLMX 11455
146.	CLMX 11456
147.	CLMX 11457
148.	CLMX 11458
149.	CLMX 11459
150.	CLMX 11460
151.	CLMX 11461
152.	CLMX 11462
153.	CLMX 11463
154.	CLMX 11464
155.	CLMX 11465
156.	CLMX 11466
157.	CLMX 11467
158.	CLMX 11468
159.	CLMX 11469
160.	CLMX 11470
161.	CLMX 11471
162.	CLMX 11472
163.	CLMX 11473
164.	CLMX 11474
165.	CLMX 11475

	Car Number
166.	CLMX 11476
167.	CLMX 11477
168.	CLMX 11478
169.	CLMX 11479
170.	CLMX 11480
171.	CLMX 11481
172.	CLMX 11482
173.	CLMX 11483
174.	CLMX 11484
175.	CLMX 11485
176.	CLMX 11486
177.	CLMX 11487
178.	CLMX 11488
179.	CLMX 11489
180.	CLMX 11490
181.	CLMX 11491
182.	CLMX 11492
183.	CLMX 11493
184.	CLMX 11494
185.	CLMX 11495
186.	CLMX 11496
187.	CLMX 11497
188.	CLMX 11498
189.	CLMX 11499

	Car Number
190.	CLMX 11500

SCHEDULE "B-1"

QUÉBEC CITY ASSETS

The following 63 railcars (National Steel Car built ore gondolas, specification P-475 and Folio 23429982-A):

	Car Number
1.	CLMX 10844
2.	CLMX 10845
3.	CLMX 10857
4.	CLMX 10858
5.	CLMX 10863
6.	CLMX 10903
7.	CLMX 10904
8.	CLMX 10906
9.	CLMX 10908
10.	CLMX 10910
11.	CLMX 10911
12.	CLMX 10912
13.	CLMX 10913
14.	CLMX 10914
15.	CLMX 10915
16.	CLMX 10916
17.	CLMX 10917
18.	CLMX 10918
19.	CLMX 10919
20.	CLMX 10920
21.	CLMX 10922
22.	CLMX 10923
23.	CLMX 10925
24.	CLMX 10946
25.	CLMX 11181
26.	CLMX 11191
27.	CLMX 11192

	Car Number
28.	CLMX 11193
29.	CLMX 11209
30.	CLMX 11213
31.	CLMX 11215
32.	CLMX 11216
33.	CLMX 11217
34.	CLMX 11218
35.	CLMX 11219
36.	CLMX 11220
37.	CLMX 11221
38.	CLMX 11222
39.	CLMX 11223
40.	CLMX 11224
41.	CLMX 11227
42.	CLMX 11229
43.	CLMX 11232
44.	CLMX 11233
45.	CLMX 11234
46.	CLMX 11235
47.	CLMX 11236
48.	CLMX 11237
49.	CLMX 11239
50.	CLMX 11241
51.	CLMX 11289
52.	CLMX 11299
53.	CLMX 11300
54.	CLMX 11301
55.	CLMX 11302
56.	CLMX 11304
57.	CLMX 11305
58.	CLMX 11306
59.	CLMX 11307

	Car Number
60.	CLMX 11311
61.	CLMX 11315
62.	CLMX 11316
63.	CLMX 11317

