

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)

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

MOTION FOR THE ISSUANCE OF AN ORDER EXTENDING THE STAY PERIOD¹

(Section 11 of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C. OR ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL

¹ Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bloom Lake Initial Order (as defined herein) and the Wabush Initial Order (as defined herein).

DIVISION, IN AND FOR THE DISTRICT OF MONTRÉAL, THE PETITIONERS AND THE MISES-EN-CAUSE SUBMIT:

1. BACKGROUND

1. 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 these proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) in respect of the Petitioners Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation, 8568391 Canada Limited (“**8568391**”) and Cliffs Québec Iron Mining ULC (“**CQIM**”) and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”) and Bloom Lake Railway Company Limited (“**BLRC**”) (collectively, the “**Bloom Lake CCAA Parties**”), as appears from the Initial Order dated January 27, 2015, which forms part of the Court record.
2. 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**”).
3. The Bloom Lake Stay Period was extended by order of the Court from time-to-time, as appears from the Court record.
4. The Bloom Lake CCAA Parties and their activities comprised substantially all of the Canadian operations of, and related to, the mine located approximately 13 km north of Fermont, Québec in the Labrador Trough, a mature mining district located in Québec and Labrador, known as the Bloom Lake Mine (the “**Bloom Lake Mine**”).
5. On April 17, 2015, Mr. Justice Stephen W. Hamilton, J.S.C., issued, *inter alia*, the following orders:
 - a) an Order (the “**Sale Advisor Order**”), *inter alia*, authorizing the engagement of Moelis & Company LLC as the Bloom Lake CCAA Parties’ mergers and acquisitions financial advisor (the “**Sale Advisor**”), as appears from a copy of the Sale Advisor Order, which forms part of the Court record; and
 - b) an Order (the “**SISP Order**”), *inter alia*, approving sale and investor solicitation procedures (the “**Initial SISP**”) in respect of the Bloom Lake CCAA Parties, as appears from a copy of the SISP Order, which forms part of the Court record.
6. 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 Co. Limited (“**Wabush Iron**”) and Wabush Resources Inc. (“**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.
7. 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**”).

8. On June 9, 2015, Mr. Justice Hamilton, issued an order (the “**Wabush Comeback Order**”), *inter alia*:
 - a) extending the Wabush Stay Period to July 31, 2015;
 - b) approving the Initial SISP as it relates to the Wabush CCAA Parties, *nunc pro tunc* to the date of the Wabush Initial Order, authorizing the amendment and restatement of the Initial SISP, and approving the amended and restated sale and investor solicitation procedures; and
 - c) approving the engagement of the Sale Advisor as it relates to the Wabush CCAA Parties, *nunc pro tunc* to the date of the Wabush Initial Order;

the whole as appears from a copy of the Wabush Comeback Order, which forms part of the Court record.

9. The Wabush CCAA Parties and their activities comprised substantially all of the operations of, and related to the iron ore mine and processing facility near the town of Wabush and Labrador City, Newfoundland and Labrador (the “**Wabush Mine**”), and the port facilities (the “**Port Facility**”) and a pellet production facility located at Pointe-Noire, Québec on the Bay of Sept-Îles.

10. On November 5, 2015, Mr. Justice Hamilton issued an order (as amended by an order of the Court issued on November 16, 2015 and as further amended from time to time, the “**Amended Claims Procedure Order**”), *inter alia*:
 - a) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers; and
 - b) ordering the extinguishment of all Claims, D&O Claims and Restructuring Claims (as each such term is defined in the Amended Claims Procedure Order) not filed in accordance with the applicable deadlines set out in the Amended Claims Procedure Order.

the whole as appears from a copy of the Amended Claims Procedure Order, which forms part of the Court record, and which is reproduced for convenience as **Exhibit R-1** hereto.

11. On January 27, 2016, Mr. Justice Hamilton issued an Approval and Vesting Order approving the sale of the Bloom Lake Mine. The sale and purchase transaction closed on April 11, 2016, the whole as appears from the Court record.
12. On June 26, 2017, Mr. Justice Hamilton issued an Approval and Vesting Order approving the sale of the Wabush Mine. The sale and purchase transaction closed on July 18, 2017, the whole as appears from the Court record.
13. On March 26, 2018, Mr. Justice Hamilton issued an order (the “**Post-Filing Claims Procedure Order**”), *inter alia*,

- a) approving a procedure for the submission, evaluation and adjudication of post-filing claims, if any, against the CCAA Parties and their current and former directors and officers; and
 - b) ordering the extinguishment of all Post-Filing Claims and Post-Filing D&O Claims (each as defined in the Post-Filing Claims Procedure Order) not filed in accordance with the applicable deadlines set out in the Post-Filing Claims Procedure Order.
14. On April 20, 2018, Mr. Justice Hamilton issued an order (as rectified on April 25, 2018 (the “**Original Meetings Order**”), *inter alia*, accepting the filing of a Joint Plan of Compromise and Arrangement dated April 16, 2018 (the “**Original Plan**”) by the Participating CCAA Parties, authorizing the Participating CCAA Parties (as defined therein) to hold Meetings of the Unsecured Creditor Classes (as defined therein) to consider and vote on a resolution to approve the Original Plan, and permitting amendments to the Original Plan without further order of the Court only until May 18, 2018.
 15. On May 18, 2018, Mr. Justice Hamilton issued an order (the “**Amended Meetings Order**”), which, *inter alia*, accepted the filing of the Amended and Restated Joint Plan of Compromise and Arrangement in respect of the Participating CCAA Parties (as defined therein), dated May 16, 2018 (as it may be further amended, restated or supplemented from time to time, the “**Plan**”), authorizing the Participating CCAA Parties to convene meetings of Unsecured Creditor Classes (as defined therein) of the Participating CCAA Parties (the “**Meetings**”) to consider and vote on a resolution to approve the Plan.
 16. The Plan effected comprehensive settlements reached in respect of Pension Claims (as defined therein), claims in respect of other post-retirement employee benefit (“**OPEB**”) claims), Other Employee Claims (as defined therein) and the Non-Filed Affiliate Employee Actions (as defined therein).
 17. In particular, the Plan settled 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' defined benefit pension plans pursuant to the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Standards Act (Canada)* and the *Supplemental Pension Plans Act (Quebec)*. In connection with implementation of the Plan, Notices of Discontinuances have since been filed with the Quebec Court of Appeal, the Supreme Court of Canada and the Newfoundland and Labrador Supreme Court Trial Division (General) in connection with the proceedings commenced before such courts related to such claims.
 18. On June 18, 2018, the Meetings were held in accordance with the Plan and the Amended Meetings Order, and the Plan was approved by the Classes of Affected Unsecured Creditors (as defined therein), the whole as appears from the Court record.
 19. On June 29, 2018, Mr. Justice Hamilton issued the Sanction Order dated June 29, 2018 (the “**Plan Sanction Order**”), the whole as appears from the Court record.
 20. On July 30, 2018, Mr. Justice Hamilton issued the Plan Modification Order dated July 30, 2018 (the “**Plan Modification Order**”), pursuant to which minor modifications were

made to the Plan in order to avoid unanticipated tax liabilities, the whole as appears from the Court record.

21. On July 31, 2018, the Monitor issued the Plan Implementation Date Certificate, confirming the implementation of the Plan on July 31, 2018, the whole as appears from the Court record.
22. On or about August 10, 2018, the Monitor commenced interim distributions to non-employee Affected Creditors holding Proven Claims (as defined therein) under the Plan.
23. The Monitor has also informed the CCAA Parties that all Affected Creditors with secured claims that have been finally determined or resolved have been paid commencing on or about August 24, 2018. Certain secured claims remain unresolved including those secured claims that are affected by the outcome of the Allocation Leave Application (as defined below) and the property tax appeals.
24. On or about September 5, 2018, after confirming the amount of applicable withholdings with the applicable taxing authorities, the Monitor commenced interim distributions to employee Affected Creditors holding Proven Claims under the Plan.
25. The Stay Period has been extended by order of the Court from time to time, most recently on June 29, 2018, and currently expires on November 30, 2018, as appears from the Court record.

2. ORDER SOUGHT

26. On this Motion, the CCAA Parties hereby seek the issuance of an Order which provides for the extension of the Stay Period in respect of the CCAA Parties until May 30, 2019, substantially in the form of the draft order communicated herewith as **Exhibit R-2** (the "**Draft Stay Extension Order**").

3. OVERVIEW OF NOTABLE OUTSTANDING MATTERS

3.1 Remaining Employee Homes

27. As was previously reported to this Court, 8 employee homes in the Town of Wabush remained unsold ("**Remaining Employee Homes**"). An offer to purchase the Remaining Employee Homes was received in March, 2018 and a transaction for the sale and purchase of the Remaining Employee Homes closed on September 7, 2018.
28. Since the closing, Wabush Resources and Wabush Iron have been working diligently with the purchaser of the Remaining Employee Homes to complete various post-closing matters. Most of these post-closing matters have now been completed and the CCAA Parties anticipate that the remaining post-closing matters will be completed in the near future.

3.2 The Allocation Methodology Approval Motion

29. In order to determine the amounts available for distribution in each of the CCAA Parties' respective estates to their respective creditors, the Monitor, in consultation with the

CCAA Parties, had developed and recommended a proposed methodology to allocate proceeds and costs among the CCAA Parties (the “**Allocation Methodology**”).

30. On May 20, 2017, the CCAA Parties served a motion seeking the approval of the Allocation Methodology and an order approving the Allocation Methodology was granted.
31. As was previously reported to this Court, the hearing on the merits of the appeal by the City of Fermont of the decision approving the Allocation Methodology occurred on March 14, 2018, and on April 9, 2018, the Quebec Court of Appeal dismissed the appeal (the “**Allocation Appeal Decision**”).
32. On June 7, 2018, the City of Fermont filed an Application for leave to appeal to the Supreme Court of Canada of the Allocation Appeal Decision (the “**Allocation Leave Application**”).
33. On August 13, 2018, the CCAA Parties and the Monitor filed responses in contestation of the Allocation Leave Application and on August 22, 2018, the City of Fermont filed a reply to the responses.
34. No decision on the Allocation Leave Application has been issued by the Supreme Court of Canada as of the date of this Motion.

3.3 The Post-Filing Claims Procedure

35. On March 26, 2018, this Court granted the Post-Filing Claims Procedure Order to govern the review, determination, adjudication or compromise of Post-Filing Claims and D&O Post-Filing Claims (each as defined in the Post-Filing Claims Procedure Order).
36. The Post-Filing Claims Procedure Order provided for a claims bar date for D&O Post-Filing Claims and Post-Filing Claims of 5:00 p.m. on May 21, 2018.
37. The Monitor has informed the CCAA Parties that Post-Filing Claims with an aggregate face value of \$2.8 million were received under the Post-Filing Claims Procedure Order, including one D&O Post-Filing Claim in the amount of \$30,000, in each case by the applicable claims bar date.
38. The Monitor will report on the status of the Post-Filing Claims in its report on this Motion.
39. Since the Post-Filing claims bar date, the CCAA Parties and the Monitor have received a Motion to amend a pre-filing and a post-filing claim by the *Commission Scolaire du Fer* (the “**Commission Scolaire**”), as discussed in section 3.6 of this Motion.

3.4 CCAA Parties’ Retirement Savings Plans

3.4.1 Cliffs Canadian Retirement Pension Plan

40. Following the closing of the sale of the Port Facility, only four employees of the CCAA Parties remained. Following the closing of the sale of the Wabush Mine in July 2017, the remaining four employees of the CCAA Parties were terminated.

41. During a review of outstanding matters remaining in the CCAA Proceedings, it was discovered that the defined contribution retirement plan of certain of the CCAA Parties known as the Cliffs Canadian Retirement Plan, Retraite Québec Registration No. 1241751 (the “**DC Plan**”) had not been terminated and wound up.
42. The DC Plan had been described briefly by the CCAA Parties in prior motions, including:
 - a) the Bloom Lake Parties’ *Motion for the Issuance of an Initial Order* dated January 26, 2015 at paragraphs 126-127;
 - b) the Wabush CCAA Parties’ *Motion for the Issuance of an Initial Order* dated May 19, 2015 at paragraphs 105-108; and
 - c) the Wabush CCAA Parties’ *Motion for the Issuance of an order in respect of the Wabush CCAA Parties (1) Granting Priority to Certain CCAA Charges, (2) Approval a Sale and Investor Solicitation Process Nunc Pro Tunc, (3) Authorizing the Engagement of a Sale Advisor Nunc Pro Tunc; (4) Granting a sale Advisor Charge, (5) Amending the Sale and Investor Solicitation Process, (6) Suspending the Payment of Certain Pension Amortization Payments and Post-Retirement Employee Benefits, (7) Extending the Stay of Proceedings and (8) Amending the Wabush Initial Order Accordingly*, dated May 29, 2015, at paragraphs 76-79.
43. The DC Plan was initially established in 2011 by Freewest Resources Canada Inc., predecessor to Cliffs Chromite Ontario Inc. (“**Chromite**”), as the Plan Sponsor, effective July 1, 2011 for salaried Chromite employees.
44. Effective January 1, 2013, the DC Plan was transferred to Wabush Mines as Plan Sponsor and was expanded to include salaried employees of CQIM, BLLP, Cliffs Canada Shared Services Inc. and Wabush Mines (only those hired after January 1, 2013) (collectively, the “**Participating Employers**”).
45. The DC Plan was submitted for registration on December 29, 2011 with the Financial Services Commission of Ontario (“**FSCO**”) but due to various delays, the registration was not approved by FSCO until January 2017.
46. After the closing of the transaction for the sale of the shares of Chromite on April 28, 2015 (the “**Chromite Share Sale**”) to a subsidiary of Noront Resources Ltd., the CCAA Parties intended to terminate and wind-up the DC Plan, but the termination has been delayed due to loss of personnel of the CCAA Parties and the late approval by FSCO of amendments to the DC Plan, that occurred only in 2018. Such approval was needed to complete the termination and wind-up process.
47. On May 15, 2018, the amended and restated DC Plan text effective as at January 1, 2013 was approved for registration by FSCO. The amendment provided for the following modifications: (i) the plan sponsor was changed from Chromite to Wabush Mines; (ii) additional Participating Employers were included; and (iii) the name of the DC Plan was changed from “Cliffs Chromite Ontario Inc. Retirement Plan” to “Cliffs Canadian Retirement Plan.”

48. Due to the determination by Retraite Quebec that the plurality of the DC Plan members were located in Quebec, the transfer of the DC Plan from Ontario to Quebec took place in January 2018, effective as at December 26, 2015.
49. At the time of the Chromite Share Sale, Chromite had no employees. The last Chromite employees appear to have been terminated October 22, 2014. However, the CCAA Parties have been informed by the CCAA Parties' insurance benefits provider, Sun Life Assurance Company ("**Sun Life**"), that it appears there are still five remaining Chromite members in the DC Plan.
50. Through a series of amalgamations before and after the Chromite Share Sale, corporate registry searches show that Chromite is now Noront Muketei Minerals Ltd. ("**Noront Muketei**").
51. Upon learning that the DC Plan had not yet been terminated and wound-up, counsel to the CCAA Parties' have:
 - a) reviewed their files and liaised with the CCAA Parties to obtain information about the DC Plan;
 - b) communicated with the CCAA Parties' retirement plan and benefits consultant, Willis Towers Watson ("**Towers Watson**"), to confirm the status of the DC Plan;
 - c) communicated with Sun Life, to understand the status the DC Plan in terms of members and amount in the DC Plan;
 - d) communicated with the Monitor to discuss and consider options relating to the DC Plan;
 - e) communicated with Sun Life with respect to the process for a termination and wind-up of the DC Plan;
 - f) informed Noront Muketei's counsel of the status of the DC Plan; and
 - g) communicated with Retraite Quebec to clarify certain issues related to the status of the DC Plan and to discuss the possibility of seeking a termination and wind-up of the DC Plan. In accordance with the terms of the DC Plan, the costs of any termination and wind-down of the DC Plan are to be borne by the Participating Employers.
52. According to information provided to the CCAA Parties by Sun Life, there is approximately \$770,000 in the DC Plan fund and a total of 21 members in the DC Plan as at August 15, 2018, of which: 11 are former employees of BLLP, 5 are former employees of Chromite/Noront Muketei, 2 are former employees of CQIM and 3 are former employees of Wabush Mines.
53. Sun Life has also informed the CCAA Parties that there have been no contributions made to the DC Plan after mid-April 2016 and no contributions from Chromite members since February 2015.

54. CCAA Parties' Counsel and the Monitor will continue to work with Retraite Quebec, in consultation with Salaried Representative Counsel and Noront Muketei's counsel, to determine the most expeditious and cost efficient process to terminate and wind-up the DC Plan should such option be pursued.

3.4.2 Other Wabush Group and Cliffs Plans

55. In an effort to try to confirm that there are no other retirement plans in respect of the CCAA Parties other than the DC Plan and the Wabush Mines defined benefits plan which has been wound up by the pension plan administration thereof, the CCAA Parties' Counsel has asked Towers Watson and Sun Life as the extent of their knowledge of the existence of any other retirement plans relating to the CCAA Parties.
56. As part of these due diligence efforts, in addition to the DC Plan, the CCAA Parties were informed by Sun Life of four additional retirement plans of the CCAA Parties:
- a) Wabush Mines Registered Retirement Savings Plan for salaried and unionized employees of Wabush Mines (the "**Wabush Group RRSP Plan**");
 - b) Cliffs SEC Mines de fer du Lac Bloom RRSP + DPSP (registration # 1231851) (the "**Bloom RRSP + DPSP**"); and
 - c) Cliffs group registered retirement savings plan ("**RRSP**") and non-registered savings plan ("**NREG**").
57. The Wabush Group RRSP Plan was previously referenced at paragraph 12 of the Order Appointing Representatives and Representative Counsel issued by Mr. Justice Hamilton on July 13, 2015.
58. The Wabush Group RRSP Plan is a voluntary savings plan set up for Wabush Mines employees and there are no employer contributions.
59. CCAA Parties' Counsel has been advised by Sun Life that the Wabush Group RRSP Plan has approximately \$315,000 in its fund and 23 members with more than a \$0 balance, all but one of which are former unionized employees.
60. Sun Life has informed the CCAA Parties that as the employees have all been terminated, the Wabush Group RRSP Plan no longer qualifies as a group plan and therefore has requested that the Wabush Group RRSP Plan be terminated.
61. To effect the termination of the Wabush Group RRSP Plan, the CCAA Parties understand that the assets in the Wabush Group RRSP Plan will have to be transferred to another registered retirement savings plan at the member's instructions.
62. Sun Life has informed the CCAA Parties that the Bloom RRSP and DPSP Plan does not have any assets in it. The CCAA Parties will coordinate with Sun Life to terminate the DPSP with the Canada Revenue Agency as part of the wind-down of outstanding matters.
63. Sun Life has informed the CCAA Parties that the RRSP and NREG also have to be terminated, as there are no more assets in the RRSP and the NREG products. Sun Life

has informed the CCAA Parties that such products can be terminated by a letter from the Plan Sponsor. The CCAA Parties will coordinate with Sun Life to terminate these products.

3.5 Late Employee Claims

64. Paragraphs 28.1, 29.1 and 30.1 of the Amended Claims Procedure Order set out a process for the provision by the CCAA Parties of the USW Employee Claimants List (as defined therein) to the Monitor, and then from the Monitor to Philion Leblanc Beaudry avocats, counsel to United Steelworkers, Locals 6254, 6285 and 9996 (the “**USW Counsel**”), and for USW to provide any objections thereto. Paragraphs 28, 29 and 30 of the Amended Claims Procedure Order set out the process for the provision by the CCAA Parties of the Wabush Represented Employee Claimants List (as defined therein) to the Monitor and then from the Monitor to the Salaried Representative Counsel, and for Representative Counsel to provide any objections thereto.
65. The Amended Claims Procedure Order also provided for a mechanism for the filing of proofs of claim for additional employees with OPEB or Other Employee Claims by USW Counsel and Salaried Representative Counsel to the extent not listed on the USW Employee Claimants List (paragraph 31.1) or the Wabush Represented Employee Claimants List (paragraph 31).
66. By an Order issued on June 26, 2015, Mr. Justice Hamilton authorized the suspension of OPEB payments by the CCAA Parties. Employee coverage for OPEBs was consequently terminated as at May 31, 2015.
67. The Amended Claims Procedure Order also provided for the extinguishment of all Claims, D&O Claims and Restructuring Claims (as each such term is defined in the Amended Claims Procedure Order) not filed in accordance with the applicable deadlines set out therein. Indeed, paragraph 22 provides that any person that fails to file a claim before the Claims Bar Date is:

“forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the CCAA Parties and all such Claims shall be forever extinguished”.
68. Furthermore, the settlement agreements entered into by the USW and the Salaried Representative Counsel prior to the filing of the Plan (the “**Employee Settlements**”) contained releases of Claims and the Plan and the Plan Sanction Order also provided that all Affected Claims (as defined in the Plan Sanction Order) are “fully, finally, irrevocably and forever compromised, discharged and released with prejudice” on the Plan Implementation Date (as defined therein). As noted above, the Plan Implementation Date occurred on July 31, 2018.
69. Despite the aforementioned extinguishments and releases of claims, the USW has sought, and Salaried Representative Counsel had informed the CCAA Parties that it would be seeking, leave to file late claims on behalf of former unionized and salaried employees of Wabush Mines.

3.5.1 Late Claims asserted by Unionized Employees

70. In July, 2018, the CCAA Parties were informed by USW Counsel of a possible late employee claim for Mr Harry Button, a former employee of Wabush Mines at the Scully Mine, who had been on long-term disability.
71. On July 25, 2018, USW filed a *Motion Seeking Declaratory Relief / for Leave to File a Late Claim* (the “**USW Late Claim Motion**”), asserting that Mr. Button was entitled to file his claim for \$112,483 in respect of OPEBs as former employee on long-term disability at the time of the issuance of the start of these CCAA Proceedings, despite the extinguishments of claims contained in the Amended Claims Procedure Order and the releases contained in the Settlement Agreements, Plan and Plan Sanction Order.
72. In order to avoid delaying the sanction of the Plan, the parties agreed to postpone the hearing of the USW Late Claim Motion until October 2, 2018, which agreement was noted in the Minutes of hearing before Mr. Justice Hamilton on July 30, 2018. The postponement was subsequently extended by the parties until November 27, 2018.
73. On October 29, USW filed an amended *Motion Seeking Declaratory Relief / for Leave to File a Late Claim* (the “**Amended USW Late Claim Motion**”), which added four additional late claims.
74. The CCAA Parties and the Monitor are reviewing and considering the Amended USW Late Claim Motion and intend to respond to it in due course.

3.5.2 Late Claims asserted by Salaried Employees

75. On August 13, 2018, the CCAA Parties and Monitor were informed by Salaried Representative Counsel of a possible late claim of a former salaried employee of Wabush Mines at the Scully Mine who had been on long-term disability at the time of the Wabush CCAA filing.
76. From the CCAA Parties’ and Monitor’s investigations, additional salaried employees who appeared from the CCAA Parties’ records to have been on long-term disability were identified and their details provided to Salaried Representative Counsel (together, the “**Salaried Late Claim Employees**”).
77. Subject to approval of the Court, an agreement in principle has been reached regarding the treatment of the late claims of the Salaried Late Claim Employees (the “**Salaried Employee Late Claims**”), the details of which will be set out in a separate motion to be brought by the Monitor.

3.6 Motion of Commission Scolaire

78. On September 27, 2018, the Commission Scolaire filed a Motion to amend their proof of claim (the “**Commission Scolaire Motion**”), originally filed as unsecured, the whole as appears from the Court record.
79. The Commission Scolaire takes the position that its claim is secured by operation of law, that its proof of claim contains a “good faith error”, and that its claim should have been considered as secured by the Monitor and the CCAA Parties.

80. As of the date of this Motion, no hearing date has been set regarding the Commission Scolaire Motion.
81. Counsel for the Monitor has been informed earlier this week by counsel for the Commission Scolaire that they intend to file an amended motion to adjust the amounts claimed pursuant to the Amended Claims Procedure Order and the Post-Filing Claims Procedure Order respectively.

3.7 Arbitration Recognition Proceedings Initiated by Worldlink Resources Limited

82. As was previously reported to the Court, on December 15, 2017, BLGP, BLLP and CQIM were served with a Summons in a Civil Action commenced in the United States District Court for the Southern District of New York (the "**U.S. Court**") in file bearing the caption *Worldlink Resources Ltd. V. Bloom Lake General Partner Ltd., et al.*, Civil Action No. 17 Civ. 8486 (AJN) (the "**Arbitration Recognition Proceedings**") and instituted by Worldlink Resources Limited ("**Worldlink**").
83. This Arbitration Recognition Proceedings sought the recognition of an arbitral award granted in favour of Worldlink in the amount of US\$71,074,689.16 with interest thereon (the "**Arbitration Claim**") and required a response from the BLGP, BLLP and CQIM within 21 days of the receipt of the Arbitration Recognition Proceedings, being January 5, 2018.
84. Prior to the Claims Bar Date of December 18, 2015, Worldlink filed a claim in the context of the Amended Claims Procedure Order, which claim was allowed by the Monitor.
85. However, the Arbitration Recognition Proceedings did not refer to or disclose the existence of the CCAA Proceedings nor the claim filed by Worldlink under the Amended Claims Procedure Order.
86. Although the parties were not able to reach agreement on a form of stipulation to be filed in the Arbitration Recognition Proceedings, they were able to reach agreement on the form of a letter to the U.S. Court dated January 31, 2018. In response, the Honorable Alison J. Nathan, United States District Court Judge for the United States District Court in the Southern District of New York, issued an order, (1) staying all proceedings in the Arbitration Recognition Proceedings, (2) adjourning the initial pretrial conference scheduled for February 23, 2018, and (3) ordering the parties to inform the U.S. Court of the conclusion of these CCAA Proceedings within five days of its resolution. The stay remains in place, and will not expire, absent further order of the U.S. Court.
87. As the releases contained in the Plan and approved by the Court in the Sanction Order became effective on the implementation of the Plan, counsel to the CCAA Parties has requested that Worldlink consent to the dismissal of the Arbitration Recognition Proceedings. An agreement has not yet been reached as to the terms of such dismissal.

4. THE EXTENSION OF THE STAY PERIOD IS APPROPRIATE

88. Since the issuance of the Bloom Lake Initial Order and the Wabush Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence.

89. Since the Stay Period was last extended to November 30, 2018, the CCAA Parties or the CCAA Parties' Counsel have, with the assistance of and in consultation with the Monitor, *inter alia*:
- a) communicated regularly with the Monitor and provided the Monitor with full cooperation and complete access to the CCAA Parties' Property, premises and books and records;
 - b) modified the Plan and sought and obtained the Plan Modification Order;
 - c) assisted the Monitor with the implementation of the Plan;
 - d) gathered information and data and communicated with Sun Life with respect to the USW Employee Late Claims and the Salaried Employee Late Claims;
 - e) assisted the Monitor with the review and analysis of the Salaried Employee Late Claims and with the negotiation of an agreement in principle with the Salaried Representative Counsel regarding of the treatment of the Salaried Employee Late Claims;
 - f) assisted the Monitor with the review and analysis of the USW Employee Late Claims;
 - g) attended to customary post-closing matters following various sales of CCAA Parties' assets;
 - h) continued to assist and cooperate with the Monitor in the review and determination of claims in accordance with the Amended Claims Procedure Order;
 - i) assisted the Monitor in the review and determination of claims in accordance with the Post-Filing Claims Procedure Order;
 - j) coordinated with *Desjardins Sécurité financière, compagnie d'assurance vie* ("**Desjardins**") for the distribution by Desjardins of approximately \$ 77,832.56 relating to a Deferred Profit Sharing Plan of CQIM (formerly Consolidated Iron Thompson);
 - k) investigated the details of the DC Plan and the Wabush Group RRSP Plan and coordinated with Towers Watson and Sun Life relating to the outstanding retirement plans of the CCAA Parties;
 - l) worked to resolve certain tax assessments;
 - m) assisted the Monitor in filing for and pursuing tax refunds;
 - n) obtained an order of the Quebec Superior Court (Civil Division), Mingan District, to rectify certain title issues related to certain employee homes located in Sept-Îles that were previously sold to third parties;

- o) completed the sale of a 3% net smelter royalty right held by CQIM in certain development properties located in the Kirkland mining belt;
 - p) worked to realize on various remaining residual assets of the CCAA Parties, including the shares of Twin Falls Corporation and various parcels of vacant land located in the Town of Wabush;
 - q) attending to preparing and completing proofs of claim filed by certain of the CCAA Parties in respect of a settlement of a class action involving foreign exchange instruments;
 - r) assisted the Monitor with the interim distributions under the Plan; and
 - s) completed the sale of Remaining Employee Homes.
90. It is respectfully submitted that the extension of the Stay Period to May 30, 2019, is required to provide all CCAA Parties with sufficient time to, *inter alia*:
- a) assist the Monitor with the remaining distributions contemplated under the Plan;
 - b) assist the Monitor with the administration and payment of the Proven Secured Claims when they are finally determined or resolved and, as appropriate, other Unaffected Claims, each as defined in the Plan;
 - c) complete the dissolutions contemplated under the Plan;
 - d) assist the Monitor with the litigation of the Commission Scolaire Motion;
 - e) determine, if appropriate, the termination and wind-up of the DC Plan;
 - f) terminate and wind-up of the RRSP and NREG;
 - g) terminate and wind-up of the Bloom DPSP Plan;
 - h) complete the disposition of the remaining residual assets of the CCAA Parties;
 - i) obtain the dismissal of the Arbitration Recognition Proceedings;
 - j) continue responding to audit queries and follow-up inquiries from the Canada Revenue Agency (the “**CRA**”) in connection with the CRA Audit, and work to resolve any open audit issues once the agreed audit suspension has been lifted;
 - k) assist the Monitor with the implementation of the Allocation Methodology to the recoveries of the estates;
 - l) work to resolve and receive outstanding tax refunds due to the CCAA Parties;
 - m) work to resolve certain tax assessments; and
 - n) attend to the completion of certain outstanding post-closing matters related to the Wabush Mine transaction.

91. It is anticipated that the requested extension of the Stay Period until May 30, 2018 will afford the CCAA Parties additional time that is needed to progress and substantially complete all of the foregoing.
92. The Monitor has advised the CCAA Parties that it supports the present Motion and the extension of the Stay Period. The CCAA Parties understand that the Monitor will file a report regarding the relief sought herein, including the proposed extension of the Stay Period.
93. Considering that the majority of the CCAA Parties' assets have been sold in the context of these CCAA Proceedings, and that the ongoing expenses consist of professional fees, the CCAA Parties believe that there is sufficient liquidity to fund the estimated ongoing costs and expenses of the CCAA Parties and any obligations incurred by them until May 30, 2018.
94. The CCAA Parties have acted and are acting with good faith and due diligence, circumstances exist that make the extension of the Stay Period appropriate and no stakeholder will be materially prejudiced by the extension of the Stay Period.
95. In light of the foregoing, the CCAA Parties respectfully ask this Court to extend the Stay Period to May 30, 2019, the whole subject to all other terms of the Bloom Lake Initial Order and the Wabush Initial Order.

5. PROCEDURAL MATTERS

96. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.
97. 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.
98. 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.
99. 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 November 22, 2018.
100. 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**").

101. 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.

6. CONCLUSIONS

102. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of an order substantially in the form of the Draft Stay Extension Order (Exhibit R-2);

103. The present Motion is well founded in fact and in law.


FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Motion;

ISSUE an order substantially in the form of the Draft Stay Extension Order (Exhibit R-2) communicated in support hereof;

WITHOUT COSTS, save and except in case of contestation.

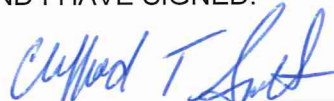
Montréal, November 15, 2018


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 an Order Extending the Stay Period* are true.

AND I HAVE SIGNED:



CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio, on this
15th day of November, 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 present *Motion for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before the Honourable Michel A. Pinsonnault, 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 **November 27, 2018**, at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, November 15, 2018


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

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Commercial Division

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

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

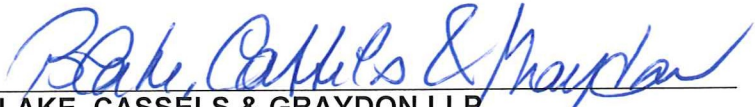
LIST OF EXHIBITS

(In support of the *Motion for the Issuance of an Order Extending the Stay Period*)

R-1 Amended Claims Procedure Order

R-2 Draft Stay Extension Order

Montréal, November 15, 2018



BLAKE, CASSELS & GRAYDON LLP

Attorneys for the Petitioners and the Mises-en-cause

N°: 500-11-048114-157

**SUPERIOR COURT
DISTRICT OF MONTREAL
(Commercial Division)**

**IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF:**

BLOOM LAKE GENERAL PARTNER LIMITED & AL.

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP & AL.**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD, AFFIDAVIT,
NOTICE OF PRESENTATION
AND EXHIBITS R-1 AND R-2
(Section 11 CCAA)**

ORIGINAL

The logo for the law firm Blakes, featuring the word "Blakes" in a stylized, cursive script.

M^{re} Bernard Boucher

BB-8098

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