

Frequently Asked Questions - Suppliers

1. What is the CCAA?

- The Companies' Creditors Arrangement Act, or "CCAA" is a federal statute in Canada that enables debtor companies to restructure their financial affairs, including the sale of their business or assets, under the supervision of the Court.
- As part of the CCAA proceedings, the Court grants a "stay of proceedings" which prevents creditors, such as lenders and suppliers from taking action against the debtor company, giving it the time and stability to enable it to restructure or dispose of assets.

2. Is the Company bankrupt?

- No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and a trustee is appointed by the court to take control of, and sell the company's assets for the benefit of its creditors.
- The CCAA proceedings, among other things, prevent creditors from forcing the company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection" in Canada.

3. Why did the Company file CCAA?

- The Company determined, after considering many alternatives, that the CCAA proceedings would provide the best opportunity to complete the previously announced exit from its Canadian operations in an orderly manner while maximizing recoveries for stakeholders.

4. What happens in a CCAA filing?

- Generally, in a CCAA proceeding, a company is given time to develop and propose a "plan of arrangement" under which the financial affairs of the company are restructured, including potentially winding-down operations, or selling all or parts of the business. During that time, a "stay of proceedings" is in place to prevent creditors from taking actions that could destabilize the company or force it into bankruptcy. The Wabush Group sought protection under the CCAA in order to continue a sales process aimed at identifying parties interested in investing and/or acquiring the business and assets of the Company.
- Subject to the oversight of the Court, the Company remains in control of its business and operations and can take steps to complete its financial restructuring or sale of the business or assets.
- If a plan of arrangement is proposed, creditors will vote on the plan. If it is approved by the creditors and the Court, the Company implements the plan and "emerges" from CCAA, completing the process.
- The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. FTI Consulting has been appointed as Monitor.

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5. How long will the CCAA proceeding take to complete?

- At this time, it is not possible to say how long the proceedings will take to complete.
- The Court has granted a stay of proceedings of 30 days, which is the maximum allowed by law on an initial application under the CCAA.
- The Company may request an extension of the stay of proceedings as required in order to complete the restructuring of its operations and/or sale of its business and assets in Canada. Each request for an extension must be approved by the Court.

6. What is the Monitor?

- The Monitor is an officer of the Court whose responsibilities include assisting the Company with its restructuring, reporting to the Court from time to time on the progress of the proceedings and, ultimately, providing a recommendation on the plan of arrangement if one is proposed or on potential sales of assets. In this case, FTI Consulting Canada Inc. has been appointed as Monitor.
- The company will be giving its full co-operation to the Monitor.

7. Who is now in charge of the company?

- The Board of Directors and the executive management team remain in control of the Company and its operations, subject to the specific requirements of the CCAA Initial Order and any other orders issued by the Court.

8. What does the filing mean for the Company's operations?

- The filing will facilitate the completion of the Company's previously announced plans to exit its Canadian operations. The filing does not affect Cliffs' other businesses that are not included in the filing and are outside of Canada, including operations in the U.S. and Australia.

9. Does the Company have sufficient financing to complete its activities?

- The Company is seeking Court approval of interim financing called "debtor-in-possession" or "DIP" financing to fund the Wabush Groups' operations during the CCAA proceedings. The proposed lender of the DIP financing is a Cliffs Group company that is not part of the CCAA proceedings..

10. I have unpaid invoices for products/services delivered prior to the CCAA filing. Will these amounts be paid?

- Amounts owing by the Company in respect of goods or services delivered or provided to the Company prior to the date of the CCAA Initial Order ("pre-filing claims") are subject to the stay of proceedings provided under the CCAA Initial Order. The CCAA Initial Order prohibits the CCAA Parties from paying pre-filing claims without the approval of the Court. If you have any questions with respect to the status of your pre-filing claims, please contact the Monitor.
- If, as a result of the CCAA proceedings it is determined that there are amounts available for distribution in respect of the claims of pre-filing creditors, the Company, with the approval of the Court, will initiate a claims process whereby creditors can submit a proof of claim, which if approved, will entitle the creditor to receive a distribution in respect of their claim(s) (subject to the priorities of other creditors).

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11. How do I file a claim for amounts outstanding?

- A procedure for the filing of claims will be approved by the court at a future date in the proceedings. You will be notified of the claims procedure once it has been approved. The Monitor is required to notify all creditors of any claims process once it has been approved by the Court. Alternatively, you can visit the Monitor's website at <http://cfcanada.fticonsulting.com/bloomlake> for updates on the CCAA proceedings.

12. Do I continue dealing with my existing contacts?

- Yes, you should continue to deal with your regular contacts.

13. Do I have to continue to provide goods/services to the company?

- The CCAA Order provides that anyone having a written or oral agreement to provide goods or services to the company is prohibited from terminating such arrangements, provided that the company pays the agreed prices or charges for such goods or services.

14. I understand that I can recover goods that I delivered in the last 30 days. Is that correct?

- No. The rights to which you refer arise only in bankruptcy. They do not apply in a CCAA proceeding.

15. How will I be kept informed of developments during the proceedings?

- We will provide periodic updates on the progress of the restructuring and any key developments. In addition, court materials, Court orders and status updates including Monitor's reports, will available on the internet at <http://cfcanada.fticonsulting.com/bloomlake>.

16. What do I do if I have other questions?

- For every-day business questions, you should continue to speak to your normal contact person.
- For questions relating to the CCAA proceedings, you can call the Monitor's hot-line at 416-649-8074 or toll free at 1-844-846-7135 after May 20, 2015 or by email at wabush@fticonsulting.com.