

C A N A D A

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:**

**CLIFFS QUÉBEC IRON MINING ULC**

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

**ARNAUD RAILWAY COMPANY**

Petitioners

-and-

**INVESTISSEMENT QUÉBEC**, a joint stock company existing pursuant to the laws of Québec, having its head office at 1200, route de l'Église, bureau 500, Québec (Québec) G1V 5A3

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES / PORT AUTHORITY OF SEPT-ÎLES**, a not-for-profit corporation existing pursuant to the laws of Canada, having its place of business at 1, Mgr. Blanche Street, Sept-Îles (Québec) G4R 5P3

Mises-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION OF SEPT-ÎLES**

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS (QUÉBEC)**

Mises-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

---

**AMENDED MOTION FOR THE ISSUANCE OF [...] APPROVAL AND VESTING ORDERS WITH RESPECT TO THE SALE OF CERTAIN ASSETS**

(Sections 11 and 36 ff. of the *Companies' Creditors Arrangement Act*)

---

TO THE HONOURABLE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTRÉAL, THE PETITIONERS 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 ("**Bloom Lake GP**"), Quinto Mining Corporation ("**Quinto**"), 8568391 Canada Limited ("**8568391**") and Cliffs Québec Iron Mining ULC ("**CQIM**") and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership ("**Bloom Lake LP**") and Bloom Lake Railway Company Limited ("**Bloom Lake Railway Company**" and together with Bloom Lake GP, Quinto, 8568391, CQIM and Bloom Lake LP, the "**Bloom Lake CCAA Parties**"), as appears from the Initial Order dated January 27, 2015, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-1**.
2. In the aforementioned Bloom Lake Initial Order (Exhibit R-1), *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Bloom Lake CCAA Parties (the "**Monitor**") and a stay of proceedings was granted to the Bloom lake CCAA Parties until February 26, 2015 (the "**Bloom Lake Stay Period**").
3. On April 17, 2015, Mr. Justice Hamilton 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 is communicated herewith as **Exhibit R-2**; 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 and is communicated herewith as **Exhibit R-3**.
4. 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, an unincorporated contractual joint venture (the "**Wabush Mines JV**"), Arnaud Railway Company ("**Arnaud**") and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**", which Wabush CCAA Parties, together with the Bloom Lake CCAA Parties, are collectively, the "**CCAA Parties**"), as appears from the Wabush Initial Order dated May 20, 2015, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-4**.
5. Pursuant to the Wabush Initial Order, *inter alia*:

- a) the Monitor was appointed as the monitor of the Wabush CCAA Parties (para. 39 of the Wabush Initial Order) and a stay of proceedings was granted to the Wabush CCAA Parties until June 19, 2015 (the "**Wabush Stay Period**") (para. 7 *ff.* of the Wabush Initial Order);
  - b) the Wabush CCAA Parties were authorized to borrow, repay and reborrow up to USD \$10 million from Cliffs Mining Company (the "**Interim Lender**") pursuant to the Interim Financing Documents (as defined in the Wabush Initial Order) to fund the ongoing expenditures of the Wabush CCAA Parties and to pay other such amounts as permitted by the terms of the Wabush Initial Order and the Interim Financing Documents (the "**Interim Facility**"), the whole subject to an Interim Lender Charge (as defined in the Wabush Initial Order) of CAD \$15 million (para. 22 *ff.* of the Wabush Initial Order); and
  - c) the Wabush CCAA Parties were authorized, subject to approval of the Monitor, sections 11.3 and 36 of the CCAA and further order of the Court, to pursue all avenues to, *inter alia*, market, convey, transfer, assign or in any other manner dispose of the Business or Property (as such terms are defined in the Wabush Initial Order), in whole or part (para. 33(b) of the Wabush Initial Order).
6. 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, authorizing the amendment and restatement of the Initial SISP *nunc pro tunc*, and approving an amended and restated sale and investor solicitation process in respect of all CCAA Parties (the "**SISP**"), a copy of which is communicated herewith as **Exhibit R-5**;
  - c) approving the engagement of the Sale Advisor by the Wabush CCAA Parties *nunc pro tunc*; and
  - d) amending the Wabush Initial Order to grant priority to the CCAA Charges, including the Interim Lender Charge, ahead of all Encumbrances (as these terms are defined in the Wabush Initial Order);
- the whole as appears from the Wabush Comeback Order, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-6**.
7. On June 26, 2015, Mr. Justice Hamilton issued an order (the "**Pension Priority and Suspension Order**"), *inter alia*,
- a) granting priority to the Interim Lender Charge created by the Wabush Initial Order ahead of statutory deemed trusts for payments due by the Wabush CCAA Parties to the DB Pension Plans (as defined herein) for employees of various Wabush CCAA Parties; and
  - b) ordering the suspension of payment by the Wabush CCAA Parties of monthly amortization payments and annual lump sum "catch-up" payments coming due

to the DB Pension Plans and of other post-employment benefits (“**OPEBs**”) to former hourly and salaried employees;

the whole as appears from the Pension Priority and Suspension Order, which forms part of the Court record and is communicated herewith for convenience as **Exhibit R-7**. Motion for leave to appeal the Pension Priority and Suspension Order was dismissed by the Court of Appeal on August 18, 2015, as appears from the Judgment communicated herewith as **Exhibit R-8**.

8. The Bloom Lake Stay Period and the Wabush Stay Period (collectively, the “**Stay Period**”) have been extended by order of the Court from time to time, most recently on November 5, 2015, and currently expire on January 29, 2016, as appears from the Court record.
9. An extension of the Stay Period until April 22, 2016 is sought by the CCAA Parties by way of a motion scheduled to be heard by the Court on January 27, 2016, as appears from the Court record.

## 2. **ORDERS SOUGHT**

10. CQIM, Wabush Iron, Wabush Resources and Arnaud (collectively, the “**Petitioners**”) hereby seek the issuance of an Approval and Vesting Order substantially in the form of the draft Approval and Vesting Order communicated herewith as **Exhibit R-9** (the “**Draft Approval and Vesting Order**”), which provides, *inter alia*, for:
  - a) the Court’s approval of the proposed transaction (the “**Port Transaction**”) contemplated by the Asset Purchase Agreement dated as of December 23, 2015 (the “**Asset Purchase Agreement**”) by and between the Petitioners, as vendors (collectively, the “**Port Vendors**”), and the Mise-en-cause Investissement Québec, as purchaser (the “**Purchaser**”);
  - b) the vesting of all of the Port Vendors’ right, title and interest in and to the Purchased Assets (as defined below) in the Purchaser, free and clear of all encumbrances other than the permitted encumbrances set out in Schedule “B” to the Draft Approval and Vesting Order (the “**Permitted Encumbrances**”), upon the issuance to the Port Vendors and the Purchaser of a certificate by the Monitor in the form of Schedule “A” to the Draft Approval and Vesting Order (the “**Monitor’s Certificate**”), the whole as provided in the Asset Purchase Agreement and as further detailed below;
  - c) an order authorizing the repayment in full of the Interim Facility and the payment of the fees payable to the Sale Advisor as soon as practicable after the Closing of the Port Transaction; and
  - d) authority to fund, out of the Net Proceeds (as defined in the Draft Approval and Vesting Order), the costs and expenses of the Wabush CCAA Parties by way of the bi-weekly draw against cash flow projections to be prepared by the Wabush CCAA Parties from time to time, as approved by the Monitor.
11. A copy of the Asset Purchase Agreement is communicated herewith as **Exhibit R-10**.

11.1 As a result of the Petitioners' exercise on January 26, 2016 of the Block Z Option in respect of the Block Z Lands (each as defined and pursuant to the Asset Purchase Agreement), the Petitioners also seek the issuance of an Approval and Vesting Order substantially in the form of the draft Approval and Vesting Order communicated herewith as **Exhibit R-21** (the "**Block Z Draft Approval and Vesting Order**"), which provides, *inter alia*, for:

- a) the Court's approval of the proposed transaction (the "**Block Z Transaction**") contemplated by the Asset Purchase Agreement dated as of January 26, 2016 (the "**Block Z Asset Purchase Agreement**") by and between Wabush Iron and Wabush Resources, as vendors (collectively, the "**Block Z Vendors**"), and the Port Authority of Sept-Îles ("**SIPA**"), as purchaser;
- b) the vesting of all of the Block Z Vendors' right, title and interest in and to the Block Z Lands (as defined below) in SIPA, free and clear of all encumbrances other than the permitted encumbrances set out in Schedule "B" to the Block Z Draft Approval and Vesting Order (the "**Permitted Encumbrances**"), upon the issuance to the Block Z Vendors and SIPA of a certificate by the Monitor in the form of Schedule "A" to the Block Z Draft Approval and Vesting Order, the whole as provided in the Block Z Asset Purchase Agreement and as further detailed below; and
- c) authority to fund, out of the Net Proceeds (as defined in the Block Z Draft Approval and Vesting Order), the costs and expenses of the Wabush CCAA Parties by way of the bi-weekly draw against cash flow projections to be prepared by the Wabush CCAA Parties from time to time, as approved by the Monitor.

12. Unless otherwise defined herein, all initially capitalized terms used in this Motion shall have the meanings given to them in the Asset Purchase Agreement.

### **3. OVERVIEW OF THE PROPOSED TRANSACTIONS**

13. The Port Vendors used to operate the following businesses (collectively, the "**Businesses**" and each a "**Business**"): (a) an iron ore pellet production facility (the "**Pellet Plant**") located in Pointe-Noire, Québec, and (b) the port facility located in Pointe-Noire, Québec in the Bay of Sept-Îles, together with the Arnaud Railway (as defined below) (collectively, the "**Pointe-Noire Port Facility**").

14. The Pointe-Noire Port Facility was used for the storage and loading onto ships of iron ore from the iron ore mine and processing facility located near the Town of Wabush and Labrador City, Newfoundland and Labrador known as the "Scully Mine" or "Wabush Mine" (the "**Wabush Mine**") and from the iron ore mine and processing facility located approximately 13 km north of Fermont, Québec, in the Labrador Trough, known as the "Bloom Lake Mine" (the "**Bloom Lake Mine**").

15. CQIM is party to a real property lease with SIPA with respect to certain lands which form part of the Pointe-Noire Port Facility, which lease was subject to a notice of disclaimer issued by CQIM on December 23, 2015 (the "**CQIM Disclaimer**"). Certain equipment located on such property is included in the assets that are subject to the Asset Purchase Agreement sought to be approved as part of this Motion.

16. The Port Transaction represents the divestiture of substantially all of the assets of the Port Vendors relating to the Pointe-Noire Port Facility and to the federally regulated railway (the "**Arnaud Railway**"), the tracks of which are shown in yellow on Schedule "B" to the Asset Purchase Agreement, which runs from the junction where the Arnaud Railway meets the railway operated by the Québec North Shore & Labrador Company, Limited north of the Town of Sept-Îles, Québec to the Pointe-Noire Port Facility.
17. More particularly, the Port Transaction contemplates the sale of all of the applicable Port Vendors' right, title and interest in and to the following key assets (collectively, the "**Purchased Assets**" which are more fully described at Schedules "C", "J" and "N" to the Asset Purchase Agreement):
- a) the Pellet Plant and all equipment located therein;
  - b) the Pointe-Noire Port Facility, including (i) the owned real property comprising same (but excluding the Block Z Lands (as defined below) if the Block Z Option (as defined below) is exercised by the Port Vendors in accordance with the terms of the Asset Purchase Agreement) and all of the equipment owned by CQIM located thereon, as well as the equipment located thereon and in relation to the Businesses owned by Wabush Iron and Wabush Resources, and (ii) certain real property owned by Arnaud and all tracks and fixtures attached thereto; and
  - c) the bottom dumper rail cars owned by Wabush Iron and Wabush Resources that were used by Wabush Mines JV in its operation of the Wabush Mine (the "**Wabush Railcars**");

in each case, excluding the Excluded Assets (as defined below) as more particularly described in Schedule "I" to the Asset Purchase Agreement.

18. The Block Z Lands are certain vacant lands which form part of the Pointe-Noire Port Facility as more particularly defined and described in Schedule "J" to the Asset Purchase Agreement. The Block Z Lands are subject to an alleged right of first refusal in favour of SIPA.
19. Pursuant to the Asset Purchase Agreement, the Block Z Lands are subject to an option of the Port Vendors to sell the Block Z Lands to SIPA, which option had to be exercised prior to the date of the Court hearing seeking the issuance of the Draft Approval and Vesting Order in respect of the Asset Purchase Agreement.
20. The Port Transaction contemplates the assignment to the Purchaser of all of the Port Vendors' rights, benefits, interest and obligations in, to and under (i) one Critical Contract (being a deed of servitude allowing the operation of an aqueduct system as described at Schedule "G" to the Asset Purchase Agreement); (ii) the Permits and Licences described at Schedule "K" to the Asset Purchase Agreement; and (iii) certain real property leases and deeds of servitude described at Schedule "M" to the Asset Purchase Agreement.
21. The Port Transaction also contemplates the assumption by the Purchaser of certain liabilities (as set out in Schedule "E" to the Asset Purchase Agreement, the "**Assumed Liabilities**"), including all liabilities related to the Purchased Assets arising on or after

the Closing Date and liabilities related to certain employees whose employment will transfer with the Purchased Assets. In addition, upon Closing the Purchaser will become responsible for all past, present and future environmental liabilities related to the Purchased Assets and/or the Businesses.

22. The Port Transaction excludes, *inter alia*, cash and all railcars other than the Wabush Railcars (as more fully described in Schedule "I" to the Asset Purchase Agreement, the "**Excluded Assets**"). The Block Z Lands will become an Excluded Asset if the Block Z Option is exercised by the Port Vendors.

23. The consideration to be paid by the Purchaser for the Purchased Assets is set out in section 3.1 of the Asset Purchase Agreement and consists of the Cash Purchase Price of \$68 million and the value of the Assumed Liabilities.

24. The Cash Purchase Price will be reduced by an agreed amount of \$1,250,000 in the event that the Port Vendors exercise the Block Z Option.

24.1 As described below, the Petitioners have exercised the Block Z Option on January 26, 2016.

25. The allocation of the Purchase Price to be paid by the Purchaser for the Purchased Assets as between the various Port Vendors and classes of assets has been determined by the Purchaser and agreed upon by the Port Vendors as set out in Schedule "O" to the Asset Purchase Agreement.

#### 4. **THE PORT VENDORS AND THEIR INTERESTS IN THE PURCHASED ASSETS**

##### 4.1 **The Wabush Mines JV**

26. The Wabush Mines JV is an unincorporated contractual joint venture of Wabush Iron and Wabush Resources and forms an integral part of the business, operations and assets of certain of the Wabush CCAA Parties.

27. Various market and economic factors, such as the fall in global commodity prices, have affected the value of the Wabush Mine assets and the viability of its operations due to an unsustainably high cost structure.

28. The Wabush Mines JV operated, through a managing agent, the Pointe-Noire Port Facility (including the Pellet Plant) and the Wabush Mine.

29. The Wabush Mines JV suspended operations at Wabush Mine in March 2014 and, in November 2014, the Wabush Mine was permanently idled.

30. The Wabush Mines JV had also idled the Pellet Plant as of June 2013.

31. As a result of the permanent idling of the Wabush Mine and the idling of the Pellet Plant, the Pointe-Noire Port Facility is no longer operating.

32. All 17 remaining employees at the Pointe-Noire Port Facility are employees of the Wabush Mine JV.

33. There are four remaining employees at the Wabush Mine.

#### **4.2 CQIM**

34. CQIM is an unlimited liability British Columbia company, with a registered office located at 595 Burrard Street, P.O. Box 49314, Three Bentall Centre, Suite 2600, Vancouver, British Columbia, as appears from the company profile communicated herewith as **Exhibit R-11**.

35. CQIM holds a 100% equity interest in, among others, Wabush Resources. This equity interest is an Excluded Asset under the Asset Purchase Agreement.

36. CQIM has wound down its operations, no longer has any employees and has ceased to conduct any active business.

#### **4.3 Wabush Iron**

37. Wabush Iron is a corporation incorporated pursuant to the laws of the State of Ohio, as appears from the company details search conducted with the Ohio Secretary of State communicated herewith as **Exhibit R-12**.

38. Wabush Iron's head office is located at 200 Public Square, Suite 3300, Cleveland, Ohio.

39. Wabush Iron is a wholly-owned subsidiary of Cliffs Mining Company, a Delaware corporation.

40. Wabush Iron's sole activity is its joint venture participation in the Wabush Mines JV, and holds a 26.8% undivided interest in the assets of the Wabush Mines JV.

41. Wabush Iron, together with Wabush Resources, own 100% of Arnaud.

42. Wabush Iron has no employees. All employees at the Pointe-Noire Port Facility and at the Wabush Mine are employees of the Wabush Mines JV.

#### **4.4 Wabush Resources**

43. Wabush Resources is a corporation incorporated pursuant to the federal laws of Canada, as appears from the company profile report communicated herewith as **Exhibit R-13**.

44. Wabush Resources' registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario.

45. Wabush Resources is a wholly-owned subsidiary of CQIM.

46. Wabush Resources' sole activity is its joint venture participation in the Wabush Mines JV, and holds a 73.2% undivided interest in the assets of the Wabush Mines JV.

47. Wabush Resources, together with Wabush Iron, owns 100% of Arnaud.



48. Wabush Resources has no employees. All employees at the Pointe-Noire Port Facility and at the Wabush Mine are employees of the Wabush Mines JV, as mentioned above.

#### **4.5 Arnaud**

49. Arnaud is a corporation incorporated pursuant to the laws of Québec, as appears from the company profile report communicated herewith as **Exhibit R-14**, and owns the federally-regulated Arnaud Railway.

50. Arnaud's registered office is located at 1505 Chemin-de-la Pointe-Noire, CP 878, Québec.

51. Arnaud is owned by Wabush Resources (75%) and Wabush Iron (25%).

52. Arnaud's primary business was the operation of the Arnaud Railway running from Arnaud Junction, Québec, to the Pointe-Noire Port Facility, for the delivery of iron ore concentrate from the Wabush Mine and the Bloom Lake Mine to the Pointe-Noire Port Facility.

53. On August 4, 2015, the Canadian Transportation Agency issued an Order suspending Arnaud's certificate of fitness for the operation of the Arnaud Railway and ordering Arnaud to cease operations. Arnaud has complied with the Order.

54. As part of the Asset Purchase Agreement, Arnaud is seeking to convey all of its right, title and interest in and to the Arnaud Railway Assets (as set out in Schedule "C" to the Asset Purchase Agreement), which include, among other things, all track comprising the Arnaud Railway, all related equipment, and all real property rights of Arnaud in any real property over which any of the rail track runs and all fixtures attached to such real property.

#### **4.6 Pension Plans**

##### **4.6.1 Defined Contribution Schemes**

55. The pension plans for salaried employees of the Wabush CCAA Parties hired on or after January 1, 2013 are defined contribution schemes administered by Wabush Mines JV.

56. All employee and employer contributions under these plans are current.

##### **4.6.2 Defined Benefit Plans**

57. Until recently, the pension plan for salaried employees of the Wabush Mine and the Pointe-Noire Port Facility hired before January 1, 2013 was a defined benefit plan called Contributory Pension Plan for Salaried Employees of Wabush Mines JV, Cliffs Mining Company Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company (the "**Salaried DB Plan**").

58. Until recently, the pension plan for unionized hourly employees of the Wabush Mine and the Pointe-Noire Port Facility was also a defined benefit plan called Pension Plan for Bargaining Unit Employees of Wabush Mines JV, Cliffs Mining Company, Managing

Agent, Arnaud Railway Company and Wabush Lake Railway Company (the "**Hourly DB Plan**"; collectively with the Salaried DB Plan, the "**DB Pension Plans**").

59. Both of the DB Pension Plans were administered by Wabush Mines JV.
60. At the time of the issuance of the Pension Priority and Suspension Order on June 26, 2015, the aggregate wind-up deficiency for the DB Pension Plans was estimated to be approximately \$41.5 million as at January 1, 2015, consisting of approximately \$18.2 million for the Salaried DB Plan and approximately \$23.3 million for the Hourly DB Plan.
61. At that time, aggregate normal cost payments for the DB Pension Plans were approximately \$92,426.08 per month, consisting of approximately \$41,931.25 for the Salaried DB Plan and approximately \$50,494.83 for the Hourly DB Plan.
62. The Wabush CCAA Parties were also paying aggregate monthly amortization payments for the DB Pension Plans of \$666,555.58 per month, consisting of approximately \$273,218.58 for the Salaried DB Plan and approximately \$393,337.00 for the Hourly DB Plan.
63. There was also an annual lump sum "catch-up" amortization payment coming due in July 2015 for the DB Pension Plans that was expected to be approximately \$5.5 million.

#### **4.6.3 OPEBs**

64. At the time of the issuance of the Pension Priority and Suspension Order, the Wabush CCAA Parties provided certain OPEBs, including life insurance and health care, to former hourly and salaried employees hired before January 1, 2013.
65. As of December 1, 2014, accumulated benefits obligations for OPEBs totaled approximately \$52.1 million, which needed to be funded by premiums of approximately \$182,000 per month.
66. There was also a supplementary retirement arrangement plan for certain current and former salaried employees of Wabush Mines JV, which created obligations of approximately \$1.01 million.

#### **4.6.4 The Pension Priority and Suspension Order**

67. In light of the fact that the Wabush CCAA Parties did not have the cash to fund the amortization payments due pursuant to the DB Pension Plans or the OPEBs, and given that the Interim Lender would only provide financing on the condition that payment of these amounts be suspended, the Court issued the Pension Priority and Suspension Order on June 26, 2015.

#### **4.6.5 Termination of the DB Pension Plans**

68. On December 16, 2015, the Wabush CCAA Parties received notice (the "**Salaried DB Plan Termination Notice**") from the pension regulator for the province of Newfoundland and Labrador of the termination, effective on that date, of the Salaried

DB Plan, as appears from a copy of the Salaried DB Plan Termination Notice communicated herewith as **Exhibit R-15**.

69. Also on December 16, 2015, the Wabush CCAA Parties received notice (the "**Hourly DB Plan Termination Notice**"; collectively with the Salaried DB Plan Termination Notice, the "**Pension Plan Termination Notices**") from the federal pension regulator and from the pension regulator for the province of Newfoundland and Labrador of the termination, effective on that date, of the Hourly DB Plan, as appears from a copy of the Hourly DB Plan Termination Notice communicated herewith as **Exhibit R-16**.
70. As at November 30, 2015, the aggregate wind-up deficiency of the DB Pension Plans was estimated to be approximately \$53 million, consisting of approximately \$24 million for the Salaried DB Plan and approximately \$29 million for the Hourly DB Plan.

#### **4.7 The Interim Facility**

71. As discussed above, on May 20, 2015, the Wabush Initial Order authorized the Wabush CCAA Parties to borrow, repay and reborrow up to USD \$10 million from the Interim Lender pursuant to the Interim Facility, which is subject to an Interim Lender Charge of CAD \$15 million, which was granted priority ahead of all Encumbrances (which excludes other CCAA Charges) by way of the Wabush Comeback Order on June 9, 2015.
72. The Interim Facility was scheduled to expire at the end of November 2015, pursuant to the Interim Financing Term Sheet. In accordance with the terms of the Interim Financing Term Sheet, the outside maturity date of the Interim Facility has been extended to May 19, 2016.
73. As of January 21, 2016, the Wabush CCAA Parties have borrowed USD \$6,750,000 from the Interim Lender under the Interim Facility.
74. The Draft Approval and Vesting Order provides that, as soon as practicable after the Closing of the Port Transaction, the Monitor shall remit from the Net Proceeds attributable to the Wabush CCAA Parties the amount necessary to repay the total amount outstanding under the Interim Financing Documents, such that the Interim Lender is repaid in full.

#### **5. THE SISP**

75. As outlined above, Mr. Justice Hamilton initially approved the engagement of the Sale Advisor and the Initial SISP in respect of the Bloom Lake CCAA Parties and thereafter, pursuant to the Wabush Comeback Order, approved the engagement of the Sale Advisor and the SISP in respect of the Wabush CCAA Parties *nunc pro tunc*. All initially capitalized terms in this Section 5 shall have the meaning given to them in the SISP, unless otherwise defined herein.
76. The SISP contemplated two phases:
- a) the first phase of the SISP contemplated delivery of non-binding letters of intent ("**LOIs**") by 5:00 p.m. (Montréal time) May 19, 2015 (the "**LOI Deadline**"); and

- b) a subset of bidders with LOIs that met certain criteria, would be invited to submit binding offers in the second phase by July 16, 2015 at 5:00 p.m. (Montréal time) (the "**Bid Deadline**"), written notice of which was provided to such qualified bidders and posted on the Monitor's Website.
77. As part of the SISP, the Sale Advisor contacted 104 potential buyers, sent out non-disclosure agreements to 102 of these potential buyers and received signed non-disclosure agreements from 25 parties. The Sale Advisor then provided parties that had signed non-disclosure agreements with an asset overview presentation and offered access to a virtual data room (the "**Data Room**") as well as site visits.
78. The Data Room was populated to provide various confidential documents and information to interested parties for the purposes of their due diligence. These documents included an asset overview presentation, equipment data, and real property and environmental information, all on an "as-is, where-is" basis with no representations or warranties.
79. The Sale Advisor received six non-binding LOIs in the form of Sale Proposals by the LOI Deadline for some or all of Pointe-Noire Port Facility assets from Prospective Bidders.
80. Promptly following the LOI Deadline, the CCAA Parties, in consultation with the Sale Advisor and the Monitor, reviewed and assessed the LOIs and other materials submitted by the Prospective Bidders.
81. The CCAA Parties, in consultation with the Sale Advisor and the Monitor, applied the Sale Proposal LOI Criteria as set out in the SISP to determine whether it would be in the best interest of the applicable CCAA Parties to permit the Prospective Bidders to continue to participate in the SISP based upon the terms set out in their respective LOIs.
82. The CCAA Parties, in consultation with the Sale Advisor and the Monitor, determined that five of the Prospective Bidders that submitted LOIs were Qualified Phase I Bidders.
83. The five Qualified Phase I Bidders were thereafter provided an opportunity to complete further due diligence and submit a binding offer in respect of the Sale Proposals set forth in their respective LOIs, for all or a part of the Pointe-Noire Port Facility and related assets.
84. A number of bids were received by the Bid Deadline, including the Purchaser's. Following the Bid Deadline, the CCAA Parties, in consultation with the Sale Advisor and the Monitor, reviewed and assessed the bids received to determine which qualified as Qualified Bids and which should be pursued. In making such assessment, they considered, among other things, the Sale Proposal Bid Criteria set out in the SISP.
85. A summary of the Qualified Bids received under SISP by the Bid Deadline is communicated herewith under confidential seal as **Exhibit R-17**. A sealing order is requested with respect to this summary as it contains commercially sensitive information.

86. The CCAA Parties, in consultation with the Sale Advisor and the Monitor, determined that the Purchaser's Qualified Bid was the highest and best Qualified Bid and entered into negotiations with the Purchaser towards a definitive sale agreement, culminating in the Port Vendors executing the Asset Purchase Agreement in respect of the Purchased Assets on January 4, 2016, effective as of December 23, 2015.
87. During those negotiations, the Purchaser indicated that it wanted to carve out from its Qualified Bid, the Block Z Lands in order to permit the Block Z Lands to be acquired by SIPA, who had submitted a Qualified Bid in the SISP for the Block Z Lands only. As a result, and in order to ensure that the value of the Block Z Lands be realized in the event that no agreement was reached in respect thereof with SIPA, the CCAA Parties negotiated the Block Z Option in the Asset Purchase Agreement and entered into negotiations with SIPA. [...]

## **6. THE ASSET PURCHASE AGREEMENT**

### **6.1 The Purchaser**

88. The Purchaser is a crown corporation created by *An Act Respecting Investissement Québec*, L.R.Q. c. I-16.0.1, whose mission is to contribute to the economic development of Québec in accordance with the economic policy of the Government of Québec. Its goal is to stimulate the growth of investments and support employment in all regions of Québec.

### **6.2 Purchase Price**

89. The Asset Purchase Agreement contemplates the sale of the Purchased Assets for the Cash Purchase Price and the assumption of the Assumed Liabilities (including Assumed Employee Plans and liabilities under the Assigned Contracts and Permits and Licenses).
90. The Purchased Assets are being sold on an "as is, where is" basis.
91. As part of the Purchase Price, the Purchaser agreed to assume the following Assumed Liabilities:
- a) all Liabilities relating to the Purchased Assets arising on or after the Closing Date;
  - b) all Liabilities under the Assigned Contracts and Permits and Licenses (in each case to the extent such Assigned Contract or Permit and License is effectively assigned to the Purchaser) arising on or after the Closing Date;
  - c) all Liabilities owing to Transferred Employees in connection with their employment by the Purchaser in accordance with the Asset Purchase Agreement and all Liabilities otherwise owing by the Purchaser to any Transferred Employees in accordance with Applicable Law, if any; and
  - d) all Liabilities owing to Transferred Employees under the Assumed Employee Plans effective as at the Closing Date.

92. To the extent that Cure Costs are payable with respect to any Assigned Contracts, the Purchaser undertakes to pay all such Cure Costs which shall be payable either directly to the applicable counterparty or to the Monitor, at or prior to Closing.
93. The Assumed Employee Plans under the Asset Purchase Agreement (which are related only to the Transferred Employees) do not include the DB Pension Plans, which as noted above were terminated effective December 16, 2015.
94. Under the Asset Purchase Agreement, the Purchaser is to take all necessary steps to make a replacement pension plan available for Unionized Transferred Employees, including, if necessary, obtaining the consent of the Union, in which the Transferred Unionized Employees will participate, and which will comply with the requirements set forth in the relevant Collective Bargaining Agreement, except that the Purchaser will not assume any Liability for any existing DB Pension Plan deficit solely as a result of entering into the Asset Purchase Agreement.
95. In addition, the Purchaser is responsible for all Environmental Obligations pre- and post-Closing.

### **6.3 Conditions to Closing**

96. The Closing of the Port Transaction contemplated by the Asset Purchase Agreement is conditional upon a number of conditions set forth in Section 8.1 and Section 8.2 of the Asset Purchase Agreement, including Court approval of the Asset Purchase Agreement, as contemplated by the Draft Approval and Vesting Order sought herein, by no later than February 15, 2016.
97. In addition to the Court Approval of the Draft Approval and Vesting Order, the Purchaser requires as a condition to Closing of the Port Transaction that, among other things, an Assignment Order shall have been issued and entered by the Court in respect of the Critical Contracts, to the extent that consents or approvals required for the transfer or assignment of the Critical Contracts are not obtained prior to Closing. There is only one Critical Contract under the Asset Purchase Agreement, which is listed on Schedule "G" thereto. Counsel to the Port Vendors and the Purchaser have jointly determined that the Critical Contract, being a servitude, will automatically vest in Purchaser as owner of the dominant land upon the Closing of the Port Transaction, therefore the Assignment Order in respect of the Critical Contract is not necessary and is not included in the provisions of the Draft Approval and Vesting Order sought herein, and the Purchaser has agreed to waive this condition to closing.
98. With respect to the contracts to be assigned under the Asset Purchase Agreement (other than the Critical Contract), the Port Vendors, with the assistance of the Purchaser, are required to use commercially reasonable efforts to obtain the consent of the counterparty thereto. The assignment of the Assigned Contracts (other than the Critical Contract, assignment of which has been waived as described above) is not a condition to Closing.
99. With respect to the transfer and assignment of Permits and Licences, the Port Vendors shall use commercially reasonable efforts to obtain all necessary consents or approvals to assign or otherwise transfer such Permits and Licences to the Purchaser on Closing. The Permits and Licenses are listed on Schedule "K" to the Asset Purchase

Agreement. The transfer and assignment of the Permits and Licenses is not a condition to Closing.

#### **6.4 Access Agreement**

100. The Purchaser and the Port Vendors have also agreed to enter into an access agreement in substantially the form of the access agreement attached to the Asset Purchase Agreement as Exhibit "A" (the "**Access Agreement**"). All initially capitalized terms used in this Subsection 6.4 shall have the meaning given to them in the Access Agreement.
101. The key terms of the Access Agreement are as follows:
- a) certain of the CCAA Parties and certain other persons, including persons who are assisting with the sale or removal of certain Excluded Assets or who are interested in purchasing certain Excluded Assets, as well as lienholders and lessors of certain Excluded Assets (collectively defined in the Access Agreement as the "**Access Parties**") are provided with access rights to the Premises to conduct certain Activities, subject to the terms, conditions and indemnities contained in the Access Agreement. The Monitor is also granted certain Access Rights pursuant to the Access Agreement;
  - b) subject to the requirement for earlier removal upon the delivery of an Early Removal Notice described below, with respect to the Excluded Assets, the applicable Access Parties and their respective Agents can access the Premises to conduct Activities, and the Monitor can access the Premises for certain specified purposes, in both cases until the earlier of (i) November 30, 2016 or such later date as may be agreed to in writing by the Purchaser and any Access Party, and (ii) the date upon which counsel to the CCAA Parties and the Monitor confirm in writing that the Activities have been completed;
  - c) an Early Removal Notice may be delivered to the Access Parties by the Purchaser if the Purchaser is required by Court order to remove the Wabush Railcars from their present location at the Wabush Mine. Such notice shall, among other things, identify those Excluded Assets, the removal of which is reasonably necessary to accommodate the storage of the Wabush Railcars on the Premises (the "**Early Removal Assets**"). The Early Removal Date is to be a date that is the later of (i) the date required for removal of the Wabush Railcars from the Wabush Mine in such Court order, and (ii) the date upon which the removal of such Excluded Assets from the Premises is reasonably necessary to accommodate the storage of the Wabush Railcars on the Premises;
  - d) if, at the end of the Term, any Excluded Asset remains on the Premises or an Access Party is provided with an Early Removal Notice, the applicable Access Parties have the option, at their discretion, to either remove their Excluded Assets out of the Premises within 30 days from the end of such period (in which case such Access Party shall be entitled to access the Premises during such additional period) or to transfer title to the applicable Excluded Asset to the Purchaser on an "as is, where is" basis for CDN \$1.00; and

- e) if such Access Party elects to remove such Excluded Asset or Early Removal Asset but fails to do so by such time, the applicable Access Party shall be deemed to have transferred all of its right, title and interests in such Excluded Asset or Early Removal Asset to the Purchaser on an "as is, where is" basis for CDN \$1.00, and such Access Party shall execute any such transfer documents as may be required to evidence such transfer.

102. It is the Petitioners' view that the access rights contained in the proposed Access Agreement are fair and reasonable and provide all Access Parties and the Monitor with a reasonable period of time to access the Premises in order to conduct the Activities in respect of the Excluded Assets, which are broadly defined to include the dismantling and removal of the Excluded Assets.

### **6.5 Closing Mechanics**

103. Pursuant to the Asset Purchase Agreement, the Purchaser has provided a cash deposit of \$4 million in trust to the Monitor (the "**Deposit**").

104. The Asset Purchase Agreement authorizes the Monitor to hold and apply the Deposit against the Cash Purchase Price upon Closing.

105. The Asset Purchase Agreement also provides that payment of the balance of the Cash Purchase Price, applicable Transfer Taxes which are payable upon Closing (if any) and Cure Costs (unless paid directly by the Purchaser to the counterparty to the applicable Assigned Contracts) shall be paid in full to the Monitor at Closing.

106. Upon receipt of payment in full of the Cash Purchase Price, Transfer Taxes required to be paid at Closing (if any) and Cure Costs payable by the Purchaser on Closing (or evidence that such Cure Costs have been paid by the Purchaser directly to the applicable counterparties), as well as receipt by the Monitor of the Conditions Certificates contemplated in Section 8.3 of the Asset Purchase Agreement, the Monitor shall issue its Monitor's Certificate forthwith concurrently to the Port Vendors and the Purchaser, at which time Closing shall be deemed to have occurred. The Monitor shall then file, as soon as practicable, a copy of the Monitor's Certificate with the Court (and shall thereafter provide a true copy of such filed certificate to the Port Vendors and the Purchaser).

107. The Draft Approval and Vesting Order, among other things:

- a) directs the Monitor to remit the Transfer Taxes received by it (if any are payable) from the Purchaser to the Port Vendors, who will then remit such Transfer Taxes in accordance with Applicable Law;
- b) directs the Monitor to remit Cure Costs received by it from the Purchaser to the applicable counterparties to the Assigned Contracts, where such amounts were not paid directly to such counterparties by the Purchaser upon Closing;
- c) directs the Monitor to receive and hold the Cash Purchase Price in accordance with the provisions set forth therein and, subject to remittance of Transfer Taxes and Cure Costs, to hold the Proceeds (as defined therein) on behalf of



the Port Vendors pending further order of the Court, except as described below;

- d) requires remittance by the Monitor from the applicable Net Proceeds (as defined therein) attributable to the Wabush CCAA Parties of the amount payable to the Interim Lender which is necessary to repay the Interim Lender in full the total amount outstanding under the Interim Financing Documents, including the Interim Lender Expenses (as defined in the Wabush Initial Order); and
- e) requires remittance by the Monitor from the applicable Net Proceeds (as defined therein) of the Sale Advisor's Fee payable to the Sale Advisor.

108. The Port Transaction is targeted to close by the date which is 22 days following the issuance by the Court of the Approval and Vesting Order, and must close no later than March 11, 2016, in each case subject to such extensions as may be mutually agreed upon by the Port Vendors and the Purchaser.

#### **6.6 The Exercise of the Block Z Option**

108.1 On January 26, 2016, following the service of the original Motion, the Block Z Vendors executed the Block Z Asset Purchase Agreement with SIPA for the sale of the Block Z Lands to SIPA (the "Block Z Transaction", collectively with the Port Transaction, the "Transactions"), as appears from the Block Z Asset Purchase Agreement communicated herewith as Exhibit R-22.

108.2 Accordingly, the Port Vendors have exercised the Block Z Option under the Asset Purchase Agreement and in accordance with the Asset Purchase Agreement:

- a) The Cash Purchase Price has been reduced by an agreed amount of \$1,250,000; and
- b) The Block Z Lands have been excluded from the Purchased Assets to become an Excluded Asset.

108.3 The Block Z Asset Purchase Agreement contemplates the sale of the Block Z Lands to SIPA for purchase price of \$1,250,000 ("Block Z Purchase Price"), an amount equal to the amount of the reduction to the Cash Purchase Price under the Asset Purchase Agreement on the exercise of the Block Z Option.

108.4 Pursuant to the Block Z Asset Purchase Agreement, SIPA has provided a cash deposit of \$62,500 in trust to the Monitor (the "Block Z Deposit").

108.5 The Block Z Asset Purchase Agreement authorizes the Monitor to hold and apply the Block Z Deposit against the Block Z Purchase Price upon closing of the Block Z Transaction.

108.6 The sale of the Block Z Lands is targeted to close on the 30<sup>th</sup> day following the date of the Block Z Asset Purchase Agreement.

108.7 The closing of the Block Z Transaction contemplated by the Block Z Asset Purchase Agreement is conditional upon a number of conditions set forth in Sections 7.1 and 7.2 of the Block Z Asset Purchase Agreement, including Court approval of the Block Z Asset Purchase Agreement, as contemplated by the Block Z Draft Approval and Vesting Order (Exhibit R-21) by no later than February 15, 2016.

## **6.7 Overall Assessment**

109. According to their business judgment, the Petitioners are satisfied that the sales process for the Purchased Assets and the Block Z Lands was fairly designed and implemented to maximize the value thereof and that the approval of the Asset Purchase Agreement and the Block Z Asset Purchase Agreement is in the best interests of the Petitioners' stakeholders generally.
110. The SISP was approved by this Court and implemented upon the direction of the Petitioners by the Sale Advisor, a reputable and experienced global investment bank, and under the supervision of the Monitor.
111. Following the commencement of the SISP, the Monitor has assisted and provided support to the CCAA Parties with respect thereto and was involved in supervising the negotiation of the Asset Purchase Agreement and the Block Z Asset Purchase Agreement.
112. The Monitor has advised that it will shortly be providing a comprehensive report with respect to the present Motion.
113. The Petitioners are satisfied that the purchase price for the sale of the Purchased Assets and purchase price for the Block Z Lands is in each case reasonable and fair in the circumstances.
114. The Petitioners are also satisfied that the conditions to closing and the closing mechanics should lead to the closing of the Transactions, provided this Court grants this Motion, and that the closing risks are minimal.
115. Furthermore, in respect of the Port Transaction the following notable aspects of the Port Transaction support the approval by the Court of the Asset Purchase Agreement and the Port Transaction contemplated therein:
- a) if the Port Transaction is not completed due to a material breach by the Purchaser of any representation, warranty or covenant contained in the Asset Purchase Agreement, which breach has not been waived by the Port Vendors, and (i) such breach is not curable and has rendered the satisfaction of any condition in section 8.2 of the Asset Purchase Agreement impossible to satisfy by the Outside Date, or (ii) if such breach is curable, the Port Vendors have provided written notice of such breach to the Purchaser and such breach has not been cured within 10 days of receipt of such notice, then the Monitor will retain the Deposit for the benefit of the Port Vendors;
  - b) the Purchased Assets are being sold on an "as is, where is" basis, "with all faults", at the Purchaser's own risk and peril and without recourse or legal warranty;

- c) the Purchaser will be responsible for the Assumed Liabilities, which include (i) Liabilities owing to the Transferred Employees, and (ii) Liabilities under the Assumed Employee Plans effective as at the Closing Date;
- d) the Purchaser will also be responsible for all Environmental Obligations, including those which could rank in priority to any other claims pursuant to subsection 11.8(8) of the CCAA;
- e) the Excluded Assets include railcars of the Port Vendors (other than the Wabush Railcars) and all assets owned by the Port Vendors and not located at the Pointe-Noire Port Facility or the Pellet Plant (other than the Wabush Railcars and the Off-Site Vehicles and Equipment), thereby allowing the relevant financing party or lessor thereof or the Port Vendors' unsecured creditors, as applicable, to benefit from the value to be obtained for these Excluded Assets, through a subsequent liquidation thereof; and
- f) the Excluded Assets also include the cash of the Port Vendors and other assets that may potentially be monetized for the benefit of their creditors.

115.1 Moreover, the following notable aspects of the Block Z Transaction support the approval by the Court of the Block Z Asset Purchase Agreement and the Block Z Transaction contemplated therein:

- a) the Block Z Lands are being sold on an "as is, where is" basis, "with all faults", at SIPA's own risk and peril and without recourse or legal warranty;
- b) SIPA will also be responsible for all Environmental Liabilities, including those which could rank in priority to any other claims pursuant to subsection 11.8(8) of the CCAA; and
- c) the Block Z Transaction will avoid the Petitioners' potential litigation against SIPA regarding its alleged right of first refusal over the Block Z Lands.

116. In addition, the Petitioners submit that the following factors favour the approval of the Asset Purchase Agreement and Block Z Asset Purchase Agreement, as applicable:

- a) as per the cash flow budget of the Wabush CCAA Parties, the Wabush CCAA Parties have limited funds to continue the CCAA process for any significant length of time;
- b) the Transactions will put an end to the accrual of municipal taxes ranking in priority to other creditors; and
- c) of the Qualified Bids received under the SISP, the Port Transaction is likely the only option which may result in a potential restart of operations at the Pointe-Noire Port Facility, the whole in the best interest of the stakeholders of the Petitioners, including, in particular, their employees.

117. The Petitioners respectfully submit that the factors set out in Section 36 of the CCAA have all been met since, notably:

- a) the SISP was approved by the Court and conducted by a Court-appointed Sale Advisor, with the continuous involvement and oversight of the Monitor. Accordingly, the process that was followed and which led to the Transactions was reasonable under the circumstances;
- b) the Petitioners understand that the Monitor supports the Transactions and will file a report in respect of the present Motion for the approval of the Transactions;
- c) the Transactions are the best option available for the benefit of the stakeholders generally, the whole as explained more fully above;
- d) the consideration to be received for the Purchased Assets and the Block Z Lands is fair and reasonable, taking into account the extensive sales process and their market and potential liquidation value; and
- e) the Transactions are also advantageous to the broader constituency of stakeholders interested in avoiding a piecemeal liquidation of assets and favouring the eventual resumption of operations at the Pointe-Noire Port Facility, which would likely have important social and economic impacts on the City of Sept-Îles and surrounding areas.

## 7. CONCLUSIONS

118. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of the two Orders substantially in the form of the Draft Approval and Vesting Orders (Exhibits R-9 and R-21), which provide [...] for the Court's approval of the Asset Purchase Agreement and the Block Z Asset Purchase Agreement and the Transactions contemplated therein, and ask that the summary of Qualified Bids (Exhibit R-17) be sealed, kept confidential and not form part of the public record due to the sensitive commercial nature of the terms thereof.
119. The Petitioners further submit that the notices given of the presentation of the present Motion are proper and sufficient because:
- a) the Petitioners are not aware of any third parties having a lien or charge over the Purchased Assets and the Block Z Lands, save and except for the Permitted Encumbrances, and the charges set out in Schedule "D" to the Draft Approval and Vesting Order (Exhibit R-9) and the Block Z Draft Approval and Vesting Order (Exhibit R-21) or created by the Orders issued in these CCAA Proceedings;
  - b) save for the Permitted Encumbrances, updated searches conducted at the following registries against the Petitioners did not disclose any third parties having registered a security interest over the Petitioners' interest in the Purchased Assets or the Block Z Lands, other than those encumbrances which are set out in Schedule "D" to the Draft Approval and Vesting Order (Exhibit R-9) and the Block Z Draft Approval and Vesting Order (Exhibit R-21), which are to be discharged as part of the Approval and Vesting Orders;

- i) Land Registry real estate search report (Québec) on the Petitioners' immovable property, communicated herewith as **Exhibit R-18**;
- ii) RPMRR (Québec) search results summary on the Petitioners' movable property, communicated herewith as **Exhibit R-19**; and
- iii) Personal Property Security Act (Ontario and Newfoundland & Labrador) search results summary on Petitioners' movable property communicated herewith as **Exhibit R-20**.

Copies of the raw search results for each of Exhibits R-18 to R-20 will be available at the hearing of the present Motion.

120. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of the Orders substantially in the form of the Draft Approval and Vesting Order (Exhibit R-9) and the Block Z Draft Approval and Vesting Order (Exhibit R-21), which provides for, among other things:

- a) the Court's approval of the Transactions; and
- b) the vesting of all of the Port Vendors' right, title and interest in and to the Purchased Assets in and with the Purchaser, free and clear of all encumbrances except the Permitted Encumbrances; and
- c) the vesting of all of the Block Z Vendors' right, title and interest in and to the Block Z Lands in and with SIPA, free and clear of all encumbrances except the Permitted Encumbrances.

121. 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 Approval and Vesting Order (Exhibit R-9) communicated in support hereof;

**ISSUE** an order substantially in the form of the Block Z Draft Approval and Vesting Order (Exhibit R-21) communicated in support hereof;

**WITHOUT COSTS**, save and except in case of contestation.

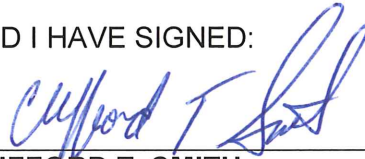
Montréal, January 26, 2016

*Blake Cassels & Graydon LLP*  
\_\_\_\_\_  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Petitioners

**AFFIDAVIT**

I, the undersigned, **CLIFFORD T. SMITH**, the Executive Vice-President and a director of Cliffs Quebec Iron Mining ULC, the President of Wabush Resources Inc., the President and a director of Wabush Iron Co. Limited, and the Vice-President and a director of Arnaud Railway Company, having a place of business at 1505 Chemin de la Pointe-Noire, C.P. 878, Sept-Îles, Québec G4R 4L4, solemnly affirm that all the facts alleged in the present *Amended Motion for the Issuance of Approval and Vesting Orders with respect to the Sale of Certain Assets* are true.

AND I HAVE SIGNED:



\_\_\_\_\_  
**CLIFFORD T. SMITH**

SOLEMNLY DECLARED before me at  
Montreal, on this 26 day of  
January, 2016

  
\_\_\_\_\_  
Commissioner for Oaths / Notary Public



**NOTICE OF PRESENTATION**

**TO: Service List**

**Investissement Québec  
Gowling Lafleur Henderson S.E.N.C.R.L., s.r.l.  
c/o: Mtre Patrice Benoit  
[patrice.benoit@gowlings.com](mailto:patrice.benoit@gowlings.com)**

**Port Authority of Sept-Îles  
Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l.  
c/o: Mtre Luc Morin  
[lmorin@fasken.com](mailto:lmorin@fasken.com)**

**The Land Registrar for The Registry Office for the  
Registration Division of Sept-Îles  
([bpd-sils@mern.gouv.qc.ca](mailto:bpd-sils@mern.gouv.qc.ca))**

**The Registrar of the Register of Personal and Movable  
Real Rights (Québec)  
([services@rdprm.gouv.qc.ca](mailto:services@rdprm.gouv.qc.ca))**

**TAKE NOTICE** that the present *Amended Motion for the Issuance of Approval and Vesting Orders with respect to the Sale of Certain Assets* will be presented for adjudication before the Honourable Stephen W. Hamilton, 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 **February 1, 2016**, at a time and in a room to be determined.

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, January 26, 2016

  
\_\_\_\_\_  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Petitioners



C A N A D A

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<sup>o</sup>: 500-11-048114-157

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

**CLIFFS QUÉBEC IRON MINING ULC**

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

**ARNAUD RAILWAY COMPANY**

Petitioners

-and-

**INVESTISSEMENT QUÉBEC**

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES / PORT  
AUTHORITY OF SEPT-ÎLES**

Mises-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE  
FOR THE REGISTRATION DIVISION OF SEPT-ÎLES**

**THE REGISTRAR OF THE REGISTER OF PERSONAL  
AND MOVABLE REAL RIGHTS (QUÉBEC)**

Mises-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

---

**AMENDED LIST OF EXHIBITS**

(In support of the Amended Motion for the Issuance of [...] Approval and Vesting Orders  
with respect to the Sale of Certain Assets)

---

**R-1** Bloom Lake Initial Order, dated January 27, 2015;

- R-2 Sale Advisor Order, dated April 17, 2015;
- R-3 SISP Order, dated April 17, 2015;
- R-4 Wabush Initial Order, dated May 20, 2015;
- R-5 SISP;
- R-6 Wabush Comeback Order, dated June 9, 2015;
- R-7 Pension Priority and Suspension Order, dated June 26, 2015;
- R-8 Court of Appeal Judgment dated August 18, 2015;
- R-9 Draft Approval and Vesting Order;
- R-10 Asset Purchase Agreement;
- R-11 Company profile for CQIM;
- R-12 Company details search for Wabush Iron from Ohio Secretary of State;
- R-13 Company profile for Wabush Resources;
- R-14 Company profile for Arnaud;
- R-15 Salaried DB Plan Termination Notice;
- R-16 Hourly DB Plan Termination Notice;
- R-17 ***Under Confidential Seal:*** Summary of Qualified Bids;
- R-18 Land Registry real estate search report (Québec) on the Petitioners' immovable property;
- R-19 RPMRR (Québec) search results summary on Petitioners' movable property; and
- R-20 Personal Property Security Act (Ontario and Newfoundland & Labrador) search results summary on Petitioners' movable property;
- R-21 Block Z Draft Approval and Vesting Order;
- R-22 Block Z Asset Purchase Agreement.

The exhibits are available at the following link:

<https://blakes.sharefile.com/d-sc43675a37e04ce9a>

Montréal, January 26, 2016

*Blake, Cassels & Graydon LLP*

---

**BLAKE, CASSELS & GRAYDON LLP**

Attorneys for the Petitioners

8484427.5

N°: 500-11-048114-157

---

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

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

**CLIFFS QUÉBEC IRON MINING ULC ET AL.**

Petitioners

-and-

**INVESTISSEMENT QUÉBEC**

**ADMINISTRATION PORTUAIRE DE SEPT-ÎLES /  
PORT AUTHORITY OF SEPT-ÎLES**

Mises-en-cause

-and-

**THE LAND REGISTRAR FOR THE REGISTRY  
OFFICE FOR THE REGISTRATION DIVISION OF  
SEPT-ÎLES ET AL.**

Mises-en-cause

-and

**FTI CONSULTING CANADA INC.**

Monitor

---

**AMENDED MOTION FOR THE ISSUANCE OF [...] APPROVAL AND VESTING ORDERS WITH RESPECT TO THE SALE OF CERTAIN ASSETS, AFFIDAVIT, NOTICE OF PRESENTATION AND AMENDED LIST OF EXHIBITS**  
(Sections 11 and 36 ff. of the *Companies' Creditors Arrangement Act*)

---

**ORIGINAL**

**M<sup>re</sup> Bernard Boucher**      **BB-8098**

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers & Solicitors  
1 Place Ville Marie

Suite 3000  
Montréal, Québec H3B 4N8  
Telephone: 514-982-4006  
Fax: 514-982-4099

Email: [bernard.boucher@blakes.com](mailto:bernard.boucher@blakes.com)

Our File: 11573-375

