

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: October 21, 2016

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

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

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP**

-and-

**WABUSH IRON CO. LIMITED**

and-

**WABUSH RESOURCES INC.**

Petitioners

and-

**RITCHIE BROS AUCTIONEERS (CANADA) LTD.**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**APPROVAL AND VESTING ORDER**

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[1] **ON READING** the Petitioners' *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* (the "**Motion**"), the affidavit and the

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exhibits in support thereof, as well as the 23rd Report of the Monitor dated September 16, 2016, (the "**Report**");

- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioner's and the Monitor's attorneys;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction with respect to the Bloom Lake Mine Equipment (the "**Transaction**"), contemplated by the agreement entitled Amended and Restated Asset Purchase Agreement (the "**Purchase Agreement**") dated as of September 22, 2016 by and between The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources Inc., and Wabush Iron Co. Limited as vendors (the "**Vendors**") and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser (the "**Purchaser**"), a redacted copy of which was filed as Exhibit R-7A to the Motion, and vesting in the Purchaser all of Vendors' right, title and interest in and to the Bloom Lake Equipment.

**FOR THESE REASONS, THE COURT HEREBY:**

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

**SERVICE**

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

**SALE APPROVAL**

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

**AUTHORIZATION**

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

**EXECUTION OF DOCUMENTATION**

- [12] **AUTHORIZES AND DIRECTS** the Vendors, Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the

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Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

#### **VESTING OF THE BLOOM LAKE MINE EQUIPMENT**

- [13] **ORDERS AND DECLARES** that upon the issuance of a Monitor's Bloom certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Bloom Lake Mine Equipment shall vest free and clear, absolutely and exclusively in and with the Purchaser, from any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendors should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, or any other applicable legislation providing for a security interest in personal or movable property, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Bloom Lake Mine Equipment, be expunged and discharged as against the Bloom Lake Mine Equipment, in each case effective as of the applicable time and date of the Certificate.
- [14] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Certificate, to reduce the scope of the registrations carrying the following numbers in connection with the Bloom Lake Mine Equipment (as detailed in Schedule "B" hereto) in order to allow the transfer to the Purchaser of the Bloom Lake Mine Equipment free and clear of such registrations:
- a) Conventional hypothec without delivery number 13-1119917-0001;
  - b) Conventional hypothec without delivery number 13-1119917-0002;
  - c) Conventional hypothec without delivery number 13-1119917-0003.
- [15] **ORDERS AND DIRECTS** the Monitor, upon receipt of (i) payment in full of the Bloom Purchase Price, Transfer Taxes (if any are payable) for remittance to the applicable taxation authorities in accordance with Applicable Law, in the amounts set out in the Bloom Conditions Certificates, and (ii) of each of the Bloom Conditions Certificates, to (a) issue forthwith its Certificate concurrently to the Vendors and the Purchaser; and (b) file forthwith after issuance thereof a copy of the Certificate with the Court.

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- [16] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Bloom Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [17] **AUTHORIZES AND DIRECTS** the Monitor to receive and hold the Bloom Purchase Price and to remit the Bloom Purchase Price in accordance with the provisions of this Order.

#### **NET PROCEEDS**

- [18] **ORDERS** that any amounts payable to the Vendors at the Bloom Mine Closing in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendors pending further order of the Court.
- [19] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after the Bloom Closing, to remit to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes (if any are payable) received by the Monitor from the Purchaser on Bloom Closing as set out in the Bloom Conditions Certificates, at the direction of, and on behalf of the Vendors.
- [20] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for the Transfer Taxes (if any are payable) that are remitted by the Monitor pursuant to Paragraph 18 of this Order (the "**Net Proceeds**") shall stand in the place and stead of the Bloom Lake Mine Equipment, and that upon the issuance of the Certificate, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Bloom Lake Mine Equipment immediately prior to the Bloom Closing, as if the Bloom Lake Mine Equipment had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the Bloom Closing.
- [21] **ORDERS** that, following the issuance of the Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

#### **VALIDITY OF THE TRANSACTION**

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

the vesting of the Bloom Lake Mine Equipment contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall

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not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **LIMITATION OF LIABILITY**

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

#### **GENERAL**

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

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THE WHOLE WITHOUT COSTS.



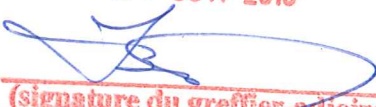
STEPHEN W. HAMILTON J.S.C.

M<sup>re</sup> Ilia Kravtsov  
(Blake, Cassels & Graydon LLP)  
Attorneys for the Petitioner

Hearing date: October 21 , 2016

Copie certifiée conforme  
au document détenu par la cour

21 OCT. 2016



(signature du greffier adjoint)

JULIO V. BERRIOS  
GREFFIER ADJOINT C.S.M.

**SCHEDULE "A" TO APPROVAL AND VESTING ORDER**

**FORM OF CERTIFICATE OF THE MONITOR**

**SUPERIOR COURT**

(Commercial Division)

**C A N A D A**

**PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**File: No: 500-11-048114-157**

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

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP**

-and-

**WABUSH IRON CO. LIMITED**

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Petitioners

and-

**RITCHIE BROS AUCTIONEERS (CANADA) LTD.**

Mise-en-cause

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**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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**RECITALS**

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Castonguay, J.S.C., of the Superior Court of Québec, Commercial Division (the "**Court**") on January 27, 2015 and amended on February 20, 2015, FTI Consulting Canada Inc. (the

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"**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").

- B. Pursuant to an Order of the Court granted by the Court on May 20, 2015, the Monitor was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the "**Wabush CCAA Parties**"). The Wabush CCAA Parties and the Bloom Lake CCAA Parties are referred to herein collectively as the "**CCAA Parties**".
- C. Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on •, 2016, the transaction contemplated by the Amended and Restated Asset Purchase Agreement dated as of September 22, 2016 (the "**Purchase Agreement**") by and between The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources Inc., and Wabush Iron Co. Limited as vendors (the "**Vendors**") and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser (the "**Purchaser**"), was authorized and approved only with respect to the Bloom Lake Mine Equipment, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Bloom Lake Mine Equipment (as defined in the Purchase Agreement).
- D. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- E. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Bloom Lake Mine Equipment in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Bloom Conditions Certificates to the Monitor.
- F. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- G. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

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

1. The Monitor has received (i) payment in full of the Bloom Purchase Price, and (ii) payment in full of the Transfer Taxes (if any are payable) payable by the Purchaser on Bloom Closing in the amounts set out in the Bloom Conditions Certificates, all in accordance with the Purchase Agreement.
2. The Vendors and the Purchaser have each delivered to the Monitor the Bloom Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.

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3. The Bloom Closing Time is deemed to have occurred on at <TIME> on <\*>, 2016.

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

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

By: \_\_\_\_\_

Name: Nigel Meakin

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**SCHEDULE "B" TO APPROVAL AND VESTING ORDER****BLOOM LAKE MINE EQUIPMENT**

<b>Description</b>	<b>Year</b>	<b>Serial Number</b>
Komatsu 830E Haul Truck	2012	KMTHD039N61A30773
Komatsu 830E Haul Truck	2012	KMTHD039N61A30774
Komatsu 830E Haul Truck	2012	KMTHD039N61A30775
Komatsu 830E Haul Truck	2012	KMTHD039N61A30786
Komatsu 830E Haul Truck	2012	KMTHD039N61A30787
The accessories, and attachments attached to the trucks listed above, including, the tires and rims attached thereto.	N/A	

8510927.1

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