

SUPERIOR COURT
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: November ____, 2015

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

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

BLOOM LAKE GENERAL PARTNER LIMITED

QUINTO MINING CORPORATION

8568391 CANADA LIMITED

CLIFFS QUEBEC 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-

9108-7189 QUÉBEC INC. (doing business as CDC EXPORTS)

Mise-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

APPROVAL AND VESTING ORDER

- [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 exhibits in support thereof, as well as the 9th Report of the Monitor dated <*>, 2015 (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys and the submissions of <*>;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Bunker C Fuel Transaction**") contemplated by the agreement entitled Sale of Goods Agreement dated September 30, 2015 as amended on October 7, 2015 (collectively, the "**Bunker C Fuel Sale Agreement**") by and among the Petitioners Wabush Iron Co. Limited and Wabush Resources Inc. as sellers (collectively, the "**Sellers**"), and the Mise-en-cause 9108-7189 Québec Inc. (doing business as CDC Exports) as purchaser (the "**Purchaser**"), a copy of which was filed as Exhibit R-9 to the Motion, and vesting in the Purchaser all of Sellers' right, title and interest in and to all of the Purchased Assets (as defined in the Bunker C Fuel Sale Agreement).

FOR THESE REASONS, THE COURT HEREBY:

- [5] **GRANTS** the Motion.
- [6] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Bunker C Fuel Sale 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 Bunker C Fuel Transaction is hereby approved, and the execution of the Bunker C Fuel Sale Agreement by the Sellers 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 Bunker C Fuel Sale Agreement and this Order.

EXECUTION OF DOCUMENTATION

- [11] **AUTHORIZES and DIRECTS** the Sellers, the 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 Bunker C Fuel Sale Agreement (Exhibit R-9), with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

AUTHORIZATION

- [12] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Sellers to proceed with the Bunker C Fuel Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF THE PURCHASED ASSETS

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

- [15] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Purchase Price in accordance with the provisions of this Order.

NET PROCEEDS

- [16] **ORDERS** that the Purchase Price payable to the Sellers in accordance with the Bunker C Fuel Sale Agreement (the "**Net 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 Sellers pending further order of the Court.
- [17] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price by the Purchaser, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- [18] **ORDERS** that the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

VALIDITY OF THE BUNKER C FUEL TRANSACTION

- [19] **ORDERS** that notwithstanding:
- a) the pendency of these proceedings;
 - b) an assignment in bankruptcy or any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
 - c) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Bunker C Fuel Sale Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy 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 Sellers, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

LIMITATION OF LIABILITY

- [20] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.

[21] **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

[22] **DECLARES** that the Sellers and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

[23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[24] **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.

[25] **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.

[26] **ORDERS** the provisional execution of the present Order, including without limiting the general application of the foregoing, the Interim Lender Repayment and the Sales Advisor Fee, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS, save in case of contestation.

STEPHEN W. HAMILTON J.S.C.

SCHEDULE "A"
FORM OF CERTIFICATE OF THE MONITOR
SUPERIOR COURT
(Commercial Division)

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Mises-en-cause

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9108-7189 QUÉBEC INC. (doing business as CDC EXPORTS)

Mise-en-cause

-and-

THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS

-and-

FTI CONSULTING CANADA INC.

Monitor

CERTIFICATE OF THE MONITOR

RECITALS

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Catonguay, J.S.C., of the Superior Court of Québec, Commercial Division (the “**Court**”) on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the “**Initial Order**”), FTI Consulting Canada Inc. (the “**Monitor**”) was appointed to monitor the business and financial affairs of the Petitioners and the Mises-en-cause (together with the Petitioners, the “**Bloom Lake CCAA Parties**”).
- B.** Pursuant to an order granted May 20, 2015 providing protection under the CCAA to Wabush Iron Co. Limited and Wabush Resources Inc., as petitioners (the “**Wabush Petitioners**”), and Arnaud Railway Company, Wabush Mines and Wabush Lake Railway Company Limited, as mises-en-cause (the “**Wabush Mises-en-cause**”, together with the Wabush Petitioners the “**Wabush CCAA Parties**”), and adding those entities to the CCAA Proceedings. 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 November <*>, 2015, the transaction contemplated by the Sale of Goods Agreement dated September 30, 2015 as amended on October 7, 2015 (the “**Bunker C Fuel Sale Agreement**”) by and among the Petitioners Wabush Iron Co. Limited and Wabush Resources Inc. as sellers (collectively, the “**Sellers**”), and the Mise-en-cause 9108-7189 Québec Inc. (doing business as CDC Exports) as purchaser (the “**Purchaser**”) was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Sellers’ right, title and interest in and to the Purchased Assets (as defined in the Bunker C Fuel Sale Agreement).
- D.** Each capitalized term used and not defined herein has the meaning given to such term in the Bunker C Fuel Sale Agreement.
- E.** The Approval and Vesting Order provides for the vesting of all of the Sellers’ right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the “**Certificate**”) issued by the Monitor confirming that the Purchase Price has been paid in full by the Purchaser.
- 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, THE MONITOR CERTIFIES THE FOLLOWING:

A. The closing of the Purchase Agreement is deemed to have occurred at at <TIME> on <*>, 2015.

B. The Purchaser has paid the Purchase Price in full to the Monitor on <*>, 2015.

THIS CERTIFICATE was issued by the Monitor at <TIME> on <*>, 2015.

***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