

## **Frequently Asked Questions - Suppliers**

### **1. What is the CCAA?**

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

### **2. Is the Company bankrupt?**

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

### **3. Why did the Company file CCAA?**

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

### **4. What happens in a CCAA filing?**

- The Company is given time to develop and propose a "plan of arrangement" under which the financial affairs of the Company are restructured, including potentially winding-down operations and placing the mines and related operations on care and maintenance, or selling all or parts of the business of the CCAA Parties. During that time, a "stay of proceedings" is in place to prevent creditors from taking actions that could destabilize the company or force it into bankruptcy.

- Subject to the oversight of the Court, the Company remains in control of its business and operations and can take steps to complete its financial restructuring or sale of the business or assets.
- If a plan of arrangement is proposed, creditors will vote on the plan. If it is approved by the creditors and the Court, the Company implements the plan and “emerges” from CCAA, completing the process.
- The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. FTI Consulting has been appointed as Monitor.

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

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

#### **6. What is the Monitor?**

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

#### **7. Who is now in charge of the company?**

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

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

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