

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-048114-157

SUPERIOR COURT
(Commercial Division)

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

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

BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING CORPORATION,
8568391 CANADA LIMITED, CLIFFS QUEBEC
IRON MINING ULC, WABUSH IRON CO.
LIMITED, WABUSH RESOURCES INC.

Debtors/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-

FTI CONSULTING CANADA INC.

Monitor

NOTICE OF OBJECTION

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1. Michael Keeper and Terence Watt, retirees of Wabush Mines (the “**Retirees**”), and as proposed representatives of all non-union employees and retirees across Canada of the Debtors, object to the relief sought by the Debtors as described in the letter from Wabush Mines dated May 29, 2015, addressed to members and beneficiaries of the following Wabush pension and benefit plans:
 - (a) Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (CRA registration No. 0343558) (the “**RPP**”);
 - (b) Wabush Mines Registered Retirement and Savings Plan (the “**Group RRSP**”);
 - (c) Wabush Mines, Cliffs Mining Company, Managing Agent – Supplemental Retirement Arrangement (the “**SERP**”); and
 - (d) Post-retirement benefit plans applicable to salaried employees of the Wabush Group (the “**OPEBs**”).

2. Paragraph 54 of the Initial CCAA order requires ten days’ notice of all motions. Messrs. Keeper and Watt received the above-noted Wabush Mines letter on or about June 3, 2015, which was sent by regular post. The letter states that the deadline to file a Notice of Objection to the relief sought by the Applicants was 5:00 p.m. on June 5, 2015, which was only two days’ notice from the receipt of the letter by the Retirees. The Retirees first

spoke with legal counsel with the firm Koskie Minsky LLP on the evening of Friday, June 5, 2015. After speaking with legal counsel, Andrew J. Hatnay of Koskie Minsky LLP immediately sent an email to the Monitor on Friday evening advising of the Objection of the Retirees (copy attached as Schedule "A"). This document is the formal Notice of Objection contemplated by the email to the Monitor of Friday, June 5, 2015.

3. The Retirees and the other non-union employees and salaried retirees are a very significant stakeholder of the Wabush Group in the CCAA proceedings. They are entitled to pensions and benefits under the Benefit Plans including monthly pension benefits, retiree benefits, and certain retirees are also entitled to the payment of monthly supplementary pension benefits. The Wabush Salaried Pension Plan is reportedly only 85% funded. The Supreme Court of Canada has confirmed that pension benefits are deferred wages earned by an employee during their employment years¹.
4. The letter from Wabush Mines dated May 29, 2015 states that the company will be seeking the approval of this Court to terminate benefits and rights under the Benefit Plans including to suspend the following payments to the pension plans, cease paying SERP monthly benefits and cease retiree health benefit coverage:
 - (a) suspension of any payment of Wabush Group of any amortization payments in respect of the RPP, which are intended to fund the current deficiency in the RPP during the CCAA proceedings;

¹ *IBM Canada Limited v. Waterman*, 2013 SCC 70 at para. 4

- (b) suspension of catch-up pension amortization payments to the RPP during the CCAA proceedings; and
 - (c) suspension of payment by the Wabush Group of other retirement benefits to former hourly and salaried employees of the Wabush Group, including without limitation, payments for life insurance premiums, healthcare benefits, and the SERP.
5. The relief sought by Wabush directly and detrimentally impacts the non-union employees and retirees. The proposed suspensions directly and immediately cause losses to the Retirees, and will worsen the underfunding in the above-noted Wabush pension plans.
6. Among other things, the Retirees require the following:
- (a) information with respect to the current cashflow of the company, the amount of underfunding of the pension plans, the latest actuarial reports, and the company's intentions and objectives while under CCAA protection, in particular whether the Debtors intend to restructure or liquidate their assets and distribute the sales proceeds to creditors in a claims process;
 - (b) the Retirees need to consult with the Newfoundland Superintendent of Pensions, the regulatory body with jurisdiction over the Wabush pension plans, and the Ontario Superintendent of Financial Services, who has jurisdiction over Ontario pension plan members as well as other applicable provincial pension regulators;

- (c) information on how and why the company intends to continue to administer the pension plans despite it having admitted that the company is in a conflict of interest with respect to its role as plan sponsor and administrator of the pension plans, and the remedies to address the conflict; and
- (d) as confirmed by the Monitor, the operations of the Wabush Group are all part of the SISP and are highly integrated and intertwined. Accordingly, the Retirees and non-union salaried employees will require independent guidance to understand the complexities of the CCAA and the impact of any sale transaction or their pension and benefits and claims.

7. The CCAA proceedings of Wabush affect retirees located across Canada. The Retirees and the non-union employees and retired employees are not represented as an organized group in this proceeding, yet they are a very significant stakeholder group and are exposed to the significant losses to their pension and health benefits. This stakeholder group requires representation in this proceeding.
8. The Retirees will be requesting a hearing date from the Court for a motion to appoint the Retirees as the representatives of all non-union employees and retirees of the Wabush Group in the CCAA proceedings and the payment of reasonable costs, as authorized by Section 11 of the CCAA and which have been ordered in similar CCAA cases across Canada.

June 8, 2015

KOSKIE MINSKY LLP
20 Queen Street West, Suite 900
Toronto, ON M5H 3R3

Andrew J. Hatnay – LSUC No. 31885W
Tel: 416-595-2083 / Fax: 416-204-2872
Email: ahatnay@kmlaw.ca

Ari Kaplan - LSUC No. 42042S
Tel: 416-595-2087 / Fax: 416-204-2875
Email: akaplan@kmlaw.ca

Schedule "A"

From: Andrew J. Hatnay
Sent: June-05-15 8:38 PM
To: Nigel Meakin
Subject: Wabush Iron Co. (CCAA) - Salaried Retirees - objection

Hello Nigel, I trust you are well.

We were consulted by a group of salaried retirees this evening with respect to the letter from FTI dated May 29, 2015. We are writing to give notice of an objection to the relief sought re the pension and benefit plans as set out in the FTI letter that we understand is the subject of a court hearing on June 9, 2015.

Are you available for a call to discuss over the weekend?

Regards,
AJH

Sent from my BlackBerry 10 smartphone on the Rogers network.

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Toronto, ON M5H 3R3

Andrew J. Hatnay (LSUC No. 31885W)
Tel: 416-595-2083 / Fax: 416-204-2872
Email: ahatnay@kmlaw.ca

Ari Kaplan (LSUC No. 42042S)
Tel: 416-595-2087 / Fax: 416-204-2875
Email: akaplan@kmlaw.ca