

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

**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 QUÉBEC IRON
MINING ULC, WABUSH IRON CO.
LIMITED AND WABUSH RESOURCES
INC.**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP, BLOOM LAKE
RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY
COMPANY AND WABUSH LAKE
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

**SIXTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Quebec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.

2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”) Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.
3. The Bloom Lake Stay Period has been extended from time to time. Pursuant to an Order of Mr. Justice Hamilton J.S.C., granted on April 17, 2015 (the “**April 17 Stay Order**”), the Bloom Lake Stay Period was extended to July 31, 2015.
4. Also on April 17, 2015, Mr. Justice Hamilton J.S.C. granted the following Orders:
 - (a) An Order approving, as it relates to the Bloom Lake CCAA Parties, a sale and investor solicitation process (as may be amended from time to time, the “**SISP**”) involving the business and assets of the Bloom Lake CCAA Parties and the Wabush CCAA Parties (the “**SISP Order**”); and
 - (b) An Order (the “**Bloom Lake Sale Advisor Order**”):
 - (i) Approving the engagement of Moelis & Company LLC (“**Moelis**”) pursuant to the terms of the engagement letter between Moelis, CQIM, Bloom Lake GP and others dated March 23, 2015 and effective January 27, 2015 (the “**Moelis Engagement Letter**”); and

- (ii) Creating a charge over the property of each Bloom Lake CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each Bloom Lake CCAA Party, on a several basis, to a maximum of US\$8 million (the “**Bloom Lake Sale Advisor Charge**”).

- 5. On April 27, 2015, Mr. Justice Hamilton, J.S.C., issued an Order (the “**Chromite Approval and Vesting Order**”):
 - (a) Approving the proposed transaction (the “**Chromite Transaction**”) contemplated by the Share Purchase Agreement (the “**Chromite SPA**”) dated as of March 22, 2015, as amended and restated as of April 17, 2015, by and between CQIM, Cliffs Greene B.V., Cliffs Netherlands B.V., Wabush Resources Inc., Cliffs Canadian Shared Services Inc., Cliffs Natural Resources Exploration Canada Inc. and “CanCo”, as vendors, Noront Resources Ltd., as parent, and 9201955 Canada Inc. as purchaser (the “**Purchaser**”); and
 - (b) Vesting of all of CQIM’s right, title and interest in and to the Amalco Shares (as defined in the Chromite SPA) in and with the Purchaser, free and clear of all encumbrances.

- 6. The Chromite Transaction closed on April 28, 2015.

- 7. To date, the Monitor has filed five reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Sixth Report, is to inform the Court on the following:
 - (a) The activities of the Wabush CCAA Parties and the Monitor since the issuance of the Wabush Initial Order;

- (b) The receipts and disbursements of the CCAA Parties for the period ending May 22, 2015;
- (c) The progress of the SISP;
- (d) The Bloom Lake CCAA Parties' request for an Order authorizing and directing the Monitor to pay to Moelis the portion of the Transaction Fee payable by CQIM in respect of the Chromite Transaction (the "**CQIM Chromite Transaction Fee**") from CQIM's portion of the Chromite Transaction proceeds of sale (the "**CQIM Chromite Proceeds**") held by the Monitor pursuant to the Chromite Approval and Vesting Order;
- (e) The Wabush CCAA Parties' request for an Order (the "**Wabush Comeback Order**"), *inter alia*:
 - (i) Providing priority for the Wabush Administration Charge, the Wabush Directors' Charge and the Interim Lender Charge (collectively, the "**Wabush CCAA Charges**") over any and all other existing hypothecs, mortgages, liens, security interests, priorities, trusts, deemed trusts (statutory or otherwise) charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") affecting the Property whether or not charged by such Encumbrances;
 - (ii) Approving the SISP *nunc pro tunc* as it relates to the Wabush CCAA Parties and approving the amendment and restatement of the SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings;
 - (iii) Approving the Moelis Engagement Letter *nunc pro tunc* as it applies to the Wabush CCAA Parties;

- (iv) Creating a charge over the property of each Wabush CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each Wabush CCAA Party, on a several basis, to a maximum of US\$5 million (the “**Wabush Sale Advisor Charge**”);
 - (v) Suspending the payment by the Wabush CCAA Parties’ of Monthly Amortization Payments, Yearly Catch Up Amortization Payments (together the “**Amortization Payments**”) and OPEB Payments, each as hereinafter defined; and
 - (vi) Extending the Wabush Stay Period to July 31, 2015;
- and the Monitor’s recommendations with respect to the foregoing.

TERMS OF REFERENCE

8. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties’ books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the “**Information**”).
9. Except as described in this Report:
 - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook;

- (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
10. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
11. The Monitor has prepared this Report in connection with the CCAA Parties' Motions dated May 29, 2015, returnable June 9, 2015 (the "**May 29 Motions**"). The Report should not be relied on for other purposes.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

EXECUTIVE SUMMARY

13. Capitalized terms used in the Executive Summary are as defined in the relevant section of the Report.

PAYMENT OF THE CQIM CHROMITE TRANSACTION FEE

14. The Moelis Engagement Letter, including the CQIM Chromite Transaction Fee, was approved by the Court. The Chromite Transaction was approved by the Court and has closed and the CQIM Chromite Transaction Fee is due and payable from the CQIM Chromite Proceeds but the Chromite Approval and Vesting Order prohibits the Monitor from disbursing the CQIM Chromite Proceeds without further Order of the Court.

15. Accordingly, the Monitor supports the Bloom Lake CCAA Parties' request for an Order authorizing and directing the Monitor to pay the CQIM Chromite Transaction Fee to Moelis from the CQIM Chromite Proceeds on behalf of CQIM.

PRIORITY OF THE WABUSH CCAA CHARGES

16. The Monitor is of the view that the Wabush CCAA Parties' request for an Order providing priority for the Wabush CCAA Charges over the Encumbrances is reasonable, appropriate and justified in the circumstances. The Monitor respectfully recommends that such Order be granted.

AMENDMENT AND APPROVAL OF SISP

17. The Monitor is of the view that:
 - (a) As the Wabush CCAA Parties are now subject to the CCAA Proceedings it is appropriate that the SISP be approved as it relates to the Wabush CCAA Parties; and
 - (b) As the Wabush CCAA Parties are now subject to the CCAA Proceedings it is appropriate that the SISP be amended and restated to reflect that.
18. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for approval of the SISP *nunc pro tunc* as it relates to the Wabush CCAA Parties and approval of the amendment and restatement of the SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings be granted.

MOELIS ENGAGEMENT LETTER AND WABUSH SALE ADVISOR CHARGE

19. The Monitor is of the view that, in the circumstances:

- (a) The continued engagement of Moelis to assist the Wabush CCAA Parties in the implementation of the SISP is beneficial to the estate and its stakeholders generally and to the efficient completion of the CCAA Proceedings;
 - (b) The amounts payable by the Wabush CCAA Parties under the Moelis Engagement Letter are within market parameters; and
 - (c) The creation of the Wabush Sale Advisor Charge is appropriate and not unduly prejudicial to the creditors of the CCAA Parties.
20. Accordingly, the Monitor supports the Wabush CCAA Parties' request for approval of the Moelis Engagement Letter *nunc pro tunc* as it applies to the Wabush CCAA Parties and the granting of the Wabush Sale Advisor Charge.

SUSPENSION OF AMORTIZATION PAYMENTS AND OPEB PAYMENTS

21. The Monitor is of the view that the continuation of activities to safeguard the assets of the Wabush CCAA Parties while continuing to seek buyers for the assets will maximize recoveries for stakeholders. Continuation of such activities would not be possible without the Interim Financing, which would not be available in the event that the Wabush CCAA Parties are required to make the Amortization Payments and the OPEB Payments. Furthermore, the Wabush CCAA Parties are unable to make the Amortization Payments and the OPEB Payments without additional funding.
22. Accordingly, the Monitor supports the Wabush CCAA Parties' request for suspension of the Amortization Payments and the OPEB Payments.

EXTENSION OF THE WABUSH STAY PERIOD

23. The Monitor is of the view that:

- (a) The Wabush CCAA Parties have acted, and are acting, in good faith and with due diligence;
 - (b) Circumstances exist that make an extension of the Wabush Stay Period appropriate; and
 - (c) Creditors would not be materially prejudiced by an extension of the Wabush Stay Period to July 31, 2015.
24. Accordingly, the Monitor respectfully recommends that the Wabush CCAA Parties' request for an extension of the Wabush Stay Period to July 31, 2015 be granted.

THE ACTIVITIES OF THE WABUSH CCAA PARTIES AND THE MONITOR

25. To date, the Wabush CCAA Parties and their management and staff have provided the Monitor with their full co-operation and unrestricted access to the Wabush CCAA Parties' premises, books and records. The Monitor has implemented procedures for the monitoring of operations, receipts and disbursements and is assisting the Wabush CCAA Parties in their dealings with employees, suppliers, creditors and other interested parties.

NOTICES AND COMMUNICATIONS

26. The Monitor has amended the website at <http://cfcanada.fticonsulting.com/bloomlake> (the "**Monitor's Website**") on which updates on the CCAA Proceedings are being posted periodically, together with all Court materials filed in the CCAA Proceedings, to include references to the Wabush CCAA Parties. In addition, the Monitor has established contact numbers (416-649-8074 or toll free 1 844-846-7135) and an email address (wabush@fticonsulting.com) to allow stakeholders of the Wabush CCAA Parties to communicate directly with the Monitor in order to address any questions or concerns in respect of the CCAA Proceedings.

27. Pursuant to paragraph 39(a) of the Wabush Initial Order, the Monitor:
- (a) Published the initial notice containing the information prescribed under the CCAA in La Presse on May 22 and May 29, 2015 and in the Globe and Mail (National Edition) on May 25, 2015. Further publication is scheduled for June 1, 2015 in the Globe and Mail;
 - (b) On May 20, 2015 made the Wabush Initial Order publicly available in English and French by posting it on the Monitor's Website;
 - (c) Sent a notice in the prescribed manner to every known creditor with a claim against the CCAA Parties of more than \$1,000 in mailings on May 21, May 26 and May 27, 2015; and
 - (d) Posted a list of known creditors on the Monitor's Website on May 20, 2015.
28. Since the granting of the Wabush Initial Order, the Wabush CCAA Parties and the Monitor have had meetings and discussions with suppliers, creditors and other parties with an interest in the Wabush CCAA Proceedings. To date, there has been little or no disruption to the Wabush CCAA Parties' operations.

DISCLAIMER OR RESILIATION OF AGREEMENTS

29. Pursuant to section 32(1) of the CCAA and paragraph 33(e) of the Wabush Initial Order, the Wabush CCAA Parties are entitled to disclaim or resiliate agreements by issuance of notices of disclaimer or resiliation of agreement (each such notice, a "**Disclaimer Notice**").

30. On May 21, 2015, the CCAA Parties, with the consent of the Monitor, issued three Disclaimer Notices. Pursuant to section 32(2) of the CCAA, the counterparty to each agreement has until June 5, 2015 to apply to court for an order that the agreement is not to be disclaimed or resiliated, failing which the disclaimer or resiliation will be effective on June 20, 2015. The agreements for which Disclaimer Notices were issued on May 21, 2015 are as follows:
- (a) Master Net Locomotive Lease dated February 26, 2010 between CIT Financial (Alberta) ULC and Arnaud Railway Company together with all riders and schedules thereto (as each may be amended, restated, supplemented or modified), including, without limitation, Schedule No. 02 dated March 4, 2011 (as amended by Amendment No. 01 to Lease Schedule No. 02 dated March 12, 2013, and as may be further amended, restated, supplemented or modified, together with the Memorandum of Locomotive Lease dated March 4, 2011) and Schedule No. 03 dated June 17, 2011 (as amended by Amendment No. 01 to Lease Schedule No. 03 dated August 5, 2013, and as may be further amended, restated, supplemented or modified, together with the Memorandum of Locomotive Lease dated June 17, 2011);
 - (b) Rental Agreement with reference number S75794 dated June 20, 2012 between Wabush Mines and Groupe CLR (as may be amended, restated, supplemented or modified); and
 - (c) a rail transportation agreement which includes a provision to the effect that its terms shall be kept confidential.

31. An additional Disclaimer Notice was issued on May 29, 2014 in respect of a lease agreement dated August 1, 2014 between Cliffs Québec Iron Mining Ltd. (now CQIM), as lessee, and Henri Dolino and Vasiliki Kiritsis, as landlords, as amended. The deadline for the counter-party to apply to court for an order that agreement is not to be disclaimed or resiliated is June 13, 2015, failing which the disclaimer or resiliation will be effective on June 28, 2015.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO MAY 22, 2015

THE BLOOM LAKE CCAA PARTIES

32. The Bloom Lake CCAA Parties' actual cash flow on a consolidated basis for the period from March 28 to May 22, 2015, was approximately \$2.6 million better than the April 2 Forecast, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts	1,902	2,572	670
Disbursements:			
Payroll & Employee Benefits	(3,062)	(2,925)	137
Termination & Severance	(1,042)	(983)	59
Utilities	(1,448)	(1,228)	220
Other Operating Disbursements	(3,150)	(1,881)	1,269
Operating Cash Flows	(6,800)	(4,445)	2,355
Restructuring Professional Fees	(4,107)	(2,425)	1,682
Projected Net Cash Flow	(10,907)	(6,870)	4,037
Beginning Cash Balance	47,602	47,602	0
Projected Net Cash Flow	(10,907)	(6,870)	4,037
Foreign Exchange Gain/(Loss)	0	(1,422)	(1,422)
Ending Cash Balance	36,695	39,310	2,615

33. Explanations for the key variances in actual receipts and disbursements as compared to the April 2 Forecast are as follows:

- (a) The favourable variance of approximately \$0.7 million in receipts is a combination of a permanent favourable variance of approximately \$1.0 million resulting from accounts receivable collections which had not been included in the April 2 Forecast due to uncertainty on collectability and timing of collection offset by an adverse timing variance of \$0.3 million in collection of Camp Lease payments;
 - (b) The favourable variance of approximately \$1.3 million in other operating disbursements consists of favourable permanent variances totalling approximately \$1.2 million as a result of lower than forecast requirements for maintenance and repairs, contractors and transportation and a favourable timing variance of approximately \$0.1 million in respect of charges from non-filing affiliates that is expected to reverse in future periods;
 - (c) The favourable variance of approximately \$1.7 million in aggregate professional fees is believed to be primarily a timing variance that is expected to reverse in future periods; and
 - (d) The foreign exchange loss results as the Bloom Lake CCAA Parties hold certain funds and make certain payments in U.S. dollars and actual exchange rates vary from those used in the April 2 Forecast.
34. The Bloom Lake Initial Order permits inter-company funding between the Bloom Lake CCAA Parties. To date inter-company funding in the amount of approximately \$1.3 million has been advanced from Bloom Lake LP to CQIM since the start of the CCAA Proceedings.

THE WABUSH CCAA PARTIES

35. The Wabush CCAA Parties' actual cash flow, excluding interim financing, on a consolidated basis for the period from May 18 to May 22, 2015, was approximately \$0.3 million better than the Wabush May 18 Forecast, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts	0	17	17
Disbursements:			
Payroll & Employee Benefits	(32)	(26)	6
Termination & Severance	0	0	0
Contractors	(17)	(40)	
Utilities	(36)	0	36
Other Operating Disbursements	(85)	(34)	51
Operating Cash Flows	(170)	(83)	110
Restructuring Professional Fees	(200)	0	200
Projected Net Cash Flow	(370)	(83)	310
Beginning Cash Balance	251	889	638
Interim Financing Draws	250	0	(250)
Projected Net Cash Flow	(370)	(83)	287
Foreign Exchange Gain/(Loss)	0	11	11
Ending Cash Balance	131	817	686

36. Explanations for the key variances in actual receipts and disbursements as compared to the Wabush May 18 Forecast are as follows:

- (a) The favourable variance of \$0.2 million in restructuring fees is a timing variance that is expected to reverse in future periods;

- (b) The favourable variance of approximately \$0.6 million in beginning cash balance arises as a result of certain payments issued prior to the granting of the Wabush Initial Order which had not cleared the bank accounts being stopped as a result of the granting of the Wabush Initial Order.

PROGRESS OF THE SISP

- 37. Pursuant to the SISP, the Phase I Bid Deadline for the expression of non-binding letters of intent was May 19, 2015 and a number of letters of intent were received on or before that date. In order to protect the integrity of the SISP, the Monitor is of the view that specific details in respect of the letters of intent received should be kept confidential at this time.
- 38. The Phase II Bid Deadline for the submission of binding offers has been set as 5:00 p.m. Montréal Time July 16, 2015. The Phase II Bid Deadline has been communicated to all Qualified Phase I Bidders.
- 39. In parallel with the SISP, the Monitor is seeking proposals for the liquidation of assets. A number of non-binding liquidation proposals have been received and parties have been invited to conduct further diligence in order to submit binding proposals.

THE CQIM TRANSACTION FEE

- 40. Pursuant to the Moelis Engagement Letter and the Bloom Lake Sale Advisor Order, the CQIM Chromite Transaction Fee is payable to Moelis by CQIM from the CQIM Chromite Proceeds. Pursuant to the Bloom Lake Sale Advisor Order, the amount of the CQIM Chromite Transaction Fee is confidential.

41. Pursuant to the Chromite Approval and Vesting Order, the CQIM Chromite Proceeds are held by the Monitor pending further Order of the Court. It was an oversight that the Chromite Approval and Vesting Order did not authorize the Monitor to make payment of the CQIM Chromite Transaction Fee to Moelis on behalf of CQIM. The Bloom Lake CCAA Parties now seek an Order authorizing and directing the Monitor to pay the CQIM Chromite Transaction Fee from the CQIM Chromite Proceeds to Moelis on behalf of CQIM.
42. The Court approved the Moelis Engagement Letter, including the CQIM Chromite Transaction Fee, and approved the Chromite Transaction. The Chromite Transaction closed on April 28, 2015 and the CQIM Chromite Transaction Fee is due and payable from the CQIM Chromite Proceeds.
43. The Order now sought by the Bloom Lake CCAA Parties authorizing and directing the Monitor to pay the CQIM Chromite Transaction Fee to Moelis on behalf of CQIM is simply an administrative Order necessary as the Chromite Approval and Vesting Order prohibits the Monitor from disbursing the CQIM Chromite Proceeds without further Order of the Court.
44. Accordingly, the Monitor supports the Bloom Lake CCAA Parties' request for an Order authorizing and directing the Monitor to pay the CQIM Chromite Transaction Fee to Moelis on behalf of CQIM from the CQIM Chromite Proceeds.

REQUEST FOR PRIORITY FOR THE WABUSH CCAA CHARGES

45. The Wabush Initial Order created the Wabush CCAA Charges with priority over all claims against the property of the Wabush CCAA Parties except for the claims of any person that is a “secured creditor” as defined in the CCAA and who has not received notice of the Wabush Initial Motion. The Wabush CCAA Charges consist of the Wabush Administration Charge in the amount of \$1.75 million, the Wabush Directors’ Charge in the amount of \$2.0 million and the Interim Lender Charge in the amount of \$15 million.
46. The Wabush CCAA Parties now seek priority for the Wabush CCAA Charges ahead of all Encumbrances on notice to affected parties. For greater certainty, the Wabush CCAA Charges only extend to assets or rights against assets over which the Wabush CCAA Parties hold or acquire title.
47. The beneficiaries of the Wabush Administration Charge are the Monitor, the Monitor’s counsel, counsel to the Wabush CCAA Parties, independent counsel to the Wabush Directors and the Wabush CCAA Parties’ advisors. The Monitor believes that the beneficiaries of the Wabush Administration Charge are, and will be, undertaking a necessary and integral role in the CCAA Proceedings, which CCAA Proceedings will benefit all stakeholders of the Wabush CCAA Parties.
48. The Wabush Directors’ Charge secures an indemnity in favour of the directors and officers of the Wabush CCAA Parties against obligations and liabilities that they may incur as directors or officers of the Wabush CCAA Parties after the granting of the Wabush Initial Order, except to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual’s gross negligence, wilful misconduct or gross or intentional fault.

49. It is the Monitor's view that the continued support and service of the directors and officers of the Wabush CCAA Parties during the CCAA Proceedings would be beneficial to the Wabush CCAA Parties' efforts to explore alternatives to preserve value and maximize recoveries for stakeholders. The Monitor has been informed that current directors and officers will not continue to serve unless the requested priority for the Wabush Directors' Charge is granted.
50. It is the Monitor's view that the Interim Financing is essential to enable the Wabush CCAA Parties to complete the SISP for the benefit of all stakeholders. Pursuant to the Interim Financing Term Sheet, the availability of Tranche B of the Interim Financing is conditional upon the Wabush CCAA Parties obtaining the Interim Financing Priority Order, as defined in the Interim Financing Term Sheet.
51. The known potential secured creditors whose claims, subject to having such claims verified and proven, will be subordinated to the Wabush CCAA Charges if the Wabush CCAA Parties' request for priority for the Wabush CCAA Charges is granted are:
- (a) Parties with registered construction liens (the "**Wabush Construction Lien Creditors**");
 - (b) Parties with movable hypothecs registered against the Wabush CCAA Parties' Property in Quebec (the "**Wabush Movable Hypothec Creditors**");
 - (c) Parties with security registered under *Personal Property Security Acts* (Newfoundland and Labrador or Ontario) or the *Uniform Commercial Code* (Ohio) (the "**PPSA/UCC Creditors**"); and
 - (d) Any creditor with a valid and enforceable statutory deemed trust.

52. While the claims of Wabush Construction Lien Creditors have not been verified or proven, construction lien claims totalling approximately \$2.3 million have been registered against the real property assets.
53. While the claims of Wabush Movable Hypothec Creditors have not been verified or proven, the Wabush CCAA Parties have informed the Monitor that the registrations by the Wabush Movable Hypothec Creditors total approximately \$3 million, excluding the hypothec registered by CMC. The amounts registered do not necessarily equate to amounts owing to Wabush Movable Hypothec Creditors.
54. Certain statutes, including the *Pension Benefits Act, 1997, SNL 1996, c. P-4.01*, may purport to create deemed trusts for certain payments. Whether such deemed trusts exist or would be valid and enforceable in the context of the CCAA Proceedings or a distribution of the Wabush CCAA Parties' assets remains to be determined.
55. The Monitor believes that all of the aforementioned potential secured creditors will benefit from the CCAA Proceedings as the CCAA Proceedings will facilitate the maximization of realizations from the assets subject to such secured claims.
56. The Monitor also notes that claims would only be made on the Wabush Administration Charge in the event that the Wabush CCAA Parties fail to pay the accounts of the beneficiaries and that payment of such accounts is provided for in the Wabush May 18 Forecast.
57. The Monitor further notes that claims would only be made on the Wabush Directors' Charge in the event that:
 - (a) The Wabush CCAA Parties fail to pay liabilities that fall due after the granting of the Wabush Initial Order and that could give rise to potential liability for directors; and
 - (b) Any such amounts are not covered by insurance.

58. Accordingly, the Monitor respectfully recommends that the Wabush CCAA Parties' request for priority for the Wabush CCAA Charges be granted by the Court.

APPROVAL AND AMENDMENT OF SISP

59. The Monitor's comments on the SISP and its recommendations relating to the approval of the SISP as it relates to the Bloom Lake CCAA Parties were set out in paragraphs 68 to 73 of the Monitor's Third Report, a copy of which is attached hereto as Appendix A for ease of reference.
60. As noted in the Monitor's Third Report, the SISP includes the Businesses and assets of the Wabush CCAA Parties.
61. With respect to the Wabush CCAA Parties, the Monitor reiterates the comments made in the Third Report that the Monitor has considered the SISP in light of the principles of section 36 of the CCAA and leading decisions dealing with the sale of assets in court-supervised proceedings and is of the view that the SISP is consistent with those principles and provides for a broad, open, fair and transparent process with an appropriate level of independent oversight, that should encourage and facilitate bidding by interested parties and is reasonable in the circumstances. Furthermore, the Monitor does not believe that any aspect of the SISP should discourage parties from submitting offers.
62. The Monitor is of the view that as the Wabush CCAA Parties are now subject to the CCAA Proceedings it is appropriate that the SISP be amended to reflect that. In that regard a black-line showing the proposed amendments to the SISP is attached hereto as Appendix B.
63. Furthermore, the Monitor is of the view that as the Wabush CCAA Parties are now subject to the CCAA Proceedings it is appropriate that the SISP be approved as it relates to the Wabush CCAA Parties.

64. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for approval of the SISP *nunc pro tunc* as it relates to the Wabush CCAA Parties and approval the amendment and restatement of the SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings be granted.

MOELIS ENGAGEMENT AND THE WABUSH SALE ADVISOR CHARGE

65. The Monitor's comments on the Moelis Engagement Letter, as it relates to the Bloom Lake CCAA Parties, and on the Bloom Lake Sale Advisor Charge, together with the Monitor's recommendations thereon, were set out in paragraphs 54 to 67 of the Monitor's Third Report.
66. The commentary set out in the Third Report with respect to the Moelis Engagement Letter, as it relates to the Bloom Lake CCAA Parties, and on the Bloom Lake Sale Advisor Charge apply equally to the Moelis Engagement Letter as it relates to the Wabush CCAA Parties and to the Wabush Sale Advisor Charge.
67. In that regard, it is the Monitor's view that:
- (a) The continued engagement of Moelis to assist the Wabush CCAA Parties in the implementation of the SISP is beneficial to the estate and its stakeholders generally and to the efficient completion of the CCAA Proceedings;
 - (b) The amounts payable by the Wabush CCAA Parties under the Moelis Engagement Letter are within market parameters; and
 - (c) The creation of the Wabush Sale Advisor Charge, which would rank subordinate to the Wabush CCAA Charges and all secured claims against the Wabush CCAA Parties but in priority to all unsecured creditors of the Wabush CCAA Parties, is appropriate and not unduly prejudicial to the creditors of the CCAA Parties.

68. Accordingly, the Monitor supports the Wabush CCAA Parties' request for approval of the Moelis Engagement Letter *nunc pro tunc* as it applies to the Wabush CCAA Parties and the granting of the Wabush Sale Advisor Charge.

SUSPENSION OF AMORTIZATION PAYMENTS AND OPEB PAYMENTS

69. As discussed in the May 29 Motion, the Wabush CCAA Parties are required to pay the following amounts in respect of their defined benefit pension plans:
- (a) Monthly amortization payments of \$666,555.58, comprising \$393,337.00 in respect of the Hourly DB Plan and \$273,218.58 in respect of the Salaried DB Plan (the “**Monthly Amortization Payments**”); and
 - (b) A lump sum amortization payment in July 2015 (the “**Yearly Catch Up Amortization Payment**”) estimated to be approximately \$5.5 million.
70. In addition, and also as discussed in the May 29 Motion, the Wabush CCAA Parties currently provide other post-retirement benefits to former hourly and salaried employees and a supplemental retirement arrangement plan to certain current and former employees (payments in respect of the foregoing being collectively the “**OPEB Payments**”).
71. The Wabush CCAA Parties seek the suspension of Amortization Payments and OPEB Payments.
72. Based on the Wabush May 18 Forecast, it is clear that the Wabush CCAA Parties have insufficient liquidity to make the Amortization Payments and the OPEB Payments at this time. Furthermore, paragraph 25(h) of the Interim Financing Term Sheet prohibits the payment of the Amortization Payments and the OPEB Payments.

73. The Monitor is of the view that the continuation of activities to safeguard the assets of the Wabush CCAA Parties while continuing to seek buyers for the assets will maximize recoveries for stakeholders. Continuation of such activities would not be possible without the Interim Financing, which would not be available in the event that the Wabush CCAA Parties are required to make the Amortization Payments and the OPEB Payments.
74. Accordingly, the Monitor supports the Wabush CCAA Parties' request for suspension of the Amortization Payments and the OPEB Payments.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

75. The Wabush Stay Period currently expires on June 19, 2015. Additional time is required for the Wabush CCAA Parties to undertake the next phase of the SISP and complete any transactions arising therefrom, to develop and seek approval of a procedure for the submission, evaluation and adjudication of claims against the Wabush CCAA Parties and to undertake the other activities necessary to complete the CCAA Proceedings. The continuation of the stay of proceedings is necessary to provide the stability needed during that time. Accordingly, the Wabush CCAA Parties now seek an extension of the Wabush Stay Period to July 31, 2015.
76. The extension of the Wabush Stay Period to July 31, 2015 will make the Wabush Stay Period concurrent with the Bloom Lake Stay Period thereby providing better efficiency and co-ordination of the CCAA Proceedings.
77. The Wabush May 18 Forecast demonstrates that, subject to the underlying assumptions thereof, including the suspension of Amortization Payments and OPEB Payments, the Wabush CCAA Parties have sufficient liquidity to fund the Wabush CCAA Parties to July 31, 2015.

78. Based on the information currently available, the Monitor believes that creditors of the Wabush CCAA Parties would not be materially prejudiced by an extension of the Stay Period to July 31, 2015.
79. The Monitor also believes that the Wabush CCAA Parties have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Wabush Stay Period appropriate.
80. The Monitor therefore respectfully recommends that this Honourable Court grant the Wabush CCAA Parties' request for an extension of the Wabush Stay Period to July 31, 2015.

The Monitor respectfully submits to the Court this, its Sixth Report.

Dated this 1st day of June, 2015.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Bloom Lake General Partner Limited, Quinto Mining Corporation,
8568391 Canada Limited, Cliffs Québec Iron Mining ULC,
Wabush Iron Co. Limited, Wabush Resources Inc.,
The Bloom Lake Iron Ore Mine Limited Partnership,
Bloom Lake Railway Company Limited, Wabush Mines,
Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin
Senior Managing Director



Steven Bissell
Managing Director

Appendix A

The Monitor's Third Report

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

**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 AND CLIFFS QUÉBEC IRON
MINING ULC**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP AND BLOOM
LAKE RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

**THIRD REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Petitioners**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Quebec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Petitioners until February 26, 2015 (the “**Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (the “**Mises-en-Cause**” and together with the Petitioners, the “**CCAA Parties**”). The proceedings commenced under the CCAA by the CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.
2. Pursuant to the Order of the Honourable Mr. Justice Hamilton, J.S.C. granted February 20, 2015 (the “**Amended Initial Order**”), the Stay Period was extended to April 30, 2015.
3. To date, the Monitor has filed two reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Third Report, is to inform the Court on the following:
 - (a) The receipts and disbursements of the CCAA Parties for the period from January 31 to March 27, 2015;

- (b) The CCAA Parties' revised and extended cash flow forecast for the period March 28 to July 31, 2015 (the "**April 2 Forecast**");
- (c) The CCAA Parties' request, and the Monitor's recommendation thereon, for an Order (the "**Chromite Approval and Vesting Order**"), which provides for, *inter alia*:
 - (i) Approval of the proposed transaction (the "**Chromite Transaction**") contemplated by the Share Purchase Agreement (the "**Chromite SPA**") dated as of March 22, 2015 by and between CQIM, Cliffs Greene B.V., Cliffs Netherlands B.V., Wabush Resources Inc., Cliffs Canadian Shared Services Inc., Cliffs Natural Resources Exploration Canada Inc. and "CanCo", as vendors, Noront Resources Ltd., as parent, and 9201955 Canada Inc. as purchaser (the "**Purchaser**"); and
 - (ii) The vesting of all of CQIM's right, title and interest in and to the Amalco Shares (as defined in the Chromite SPA) in and with the Purchaser, free and clear of all encumbrances.
- (d) The CCAA Parties' request for an Order approving the Mount-Wright Camp Lease Agreement dated March 30, 2015, between 8568391 Canada Inc., as landlord, and 8109796 Canada Inc., as tenant (the "**Camp Lease**") and the Monitor's recommendation thereon;
- (e) The CCAA Parties' request, and the Monitor's recommendation thereon, for:

- (i) Approval of the engagement of Moelis & Company LLC (“**Moelis**”) pursuant to the terms of the engagement letter between Moelis, CQIM, Bloom Lake GP and others dated March 23, 2015 and effective January 27, 2015 (the “**Moelis Engagement Letter**”); and
- (ii) The creation of a charge over the property of each CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each CCAA Party, on a several basis, to a maximum of US\$8 million (the “**Sale Advisor Charge**”);
- (f) The CCAA Parties’ request for approval of the proposed Sale and Investor Solicitation Process (the “**SISP**”) and the Monitor’s recommendation thereon; and
- (g) The CCAA Parties’ request for an extension of the Stay Period to July 31, 2015 and the Monitor’s recommendation thereon.

TERMS OF REFERENCE

- 4. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties’ books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the “**Information**”).
- 5. Except as described in this Report:

- (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
6. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
7. The Monitor has prepared this Report in connection with the CCAA Parties' Motions presentable April 17, 2015 (the "**April 17 Motions**"). The Report should not be relied on for other purposes.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Initial Order, the Pre-filing Report of the Proposed Monitor or previous Reports of the Monitor.

EXECUTIVE SUMMARY

9. Capitalized terms used in the Executive Summary are as defined in the relevant section of the Report.

THE CHROMITE MOTION

10. The Monitor is of the view that, in the circumstances:
- (a) The Chromite Marketing Process was fair, transparent and reasonable;

- (b) Further canvassing of the market is not necessary;
 - (c) The results of the Chromite Marketing Process indicate that the Purchase Price is fair and reasonable; and
 - (d) The methodology used for the allocation of the Purchase Price is fair and reasonable.
11. Accordingly, the Monitor supports the Chromite Motion and respectfully recommends that the Chromite Approval and Vesting Order be granted by the Court.

THE CAMP LEASE MOTION

12. The Monitor is of the view that, in the circumstances:
- (a) The terms of the Camp Lease are reasonable;
 - (b) Approval of the Camp Lease will not adversely affect the SISP; and
 - (c) Approval of the Camp Lease will be beneficial to the CCAA Parties' stakeholders.
13. Accordingly, the Monitor supports the Camp Lease Motion and respectfully recommends that an Order approving the Camp Lease be granted by the Court.

THE MOELIS MOTION

14. The Monitor is of the view that, in the circumstances:
- (a) The engagement of an investment banker to assist the CCAA Parties in the implementation of the SISP is beneficial to the estate and its stakeholders generally and to the efficient completion of the CCAA Proceedings;
 - (b) Moelis is a logical, appropriate and qualified choice;

- (c) The amounts payable under the Moelis Engagement Letter are within market parameters; and
 - (d) The creation of the Sale Advisor Charge is appropriate and not unduly prejudicial to the creditors of the CCAA Parties.
15. Accordingly, the Monitor supports the Moelis Motion and respectfully recommends that the CCAA Parties' request for the approval of the engagement of Moelis pursuant to the terms of the Moelis Engagement Letter and the creation of the Sale Advisor Charge be granted by the Court.

THE SISP MOTION

16. The Monitor is of the view that, in the circumstances, the SISP:
- (a) Provides for a broad, open, fair and transparent process;
 - (b) Has an appropriate level of independent oversight;
 - (c) Should encourage and facilitate bidding by interested parties; and
 - (d) Should not discourage parties from submitting offers.
17. Accordingly, the Monitor supports the SISP Motion and respectfully recommends that an Order approving the SISP be granted by the Court.

THE STAY EXTENSION

18. The Monitor is of the view that:
- (a) The CCAA Parties have acted, and are acting, in good faith and with due diligence;
 - (b) Circumstances exist that make an extension of the Stay Period appropriate; and

(c) Creditors would not be materially prejudiced by an extension of the Stay Period to July 31, 2015.

19. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for an extension of the Stay Period to July 31, 2015 be granted.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO MARCH 27, 2015

20. The CCAA Parties' actual cash flow on a consolidated basis for the period from January 31 to March 27, 2015, was approximately \$6.8 million better than the February 4 Forecast, as summarized below:

	Forecast	Actual	Variance
	\$000	\$000	\$000
Receipts	100	1,286	1,186
Disbursements:			
Payroll & Employee Benefits	(3,713)	(2,952)	761
Termination & Severance	(320)	(343)	(23)
Utilities	(480)	(542)	(62)
Other Operating Disbursements	(4,978)	(2,217)	2,761
Operating Cash Flows	(9,391)	(4,768)	4,623
Restructuring Professional Fees	(2,896)	(1,389)	1,507
Projected Net Cash Flow	(12,287)	(6,157)	6,130
Beginning Cash Balance	53,062	53,539	477
Projected Net Cash Flow	(12,287)	(6,157)	6,130
Foreign Exchange Gain/(Loss)	0	220	220
Ending Cash Balance	40,775	47,602	6,827

21. Explanations for the key variances in actual receipts and disbursements as compared to the February 4 Forecast are as follows:

- (a) The favourable variance of approximately \$1.2 million in receipts is a permanent variance of which approximately \$1.0 million results from accounts receivable collections and \$0.2 million in sales tax refunds, neither of which had been included in the February 4 Forecast due to uncertainty on collectability and timing of collection;
- (b) The favourable variance of approximately \$0.8 million in payroll and benefits is a combination of a favourable timing variance of approximately \$0.9 million related to outplacement services and other benefits assumed paid on a weekly basis but which are actually being paid as services are utilized and is expected to reverse in future periods and an unfavourable permanent variance of approximately \$0.1 million arising from the payment of certain contractual bonuses that had been inadvertently omitted from the February 4 Forecast;
- (c) The favourable variance of approximately \$2.8 million in other operating disbursements consists of a favourable permanent variance with respect to payments of sales taxes totalling approximately \$1.2 million and a favourable variance of approximately \$1.6 million in other amounts, the majority of which is believed to be a permanent variance;
- (d) The favourable variance of approximately \$1.5 million in aggregate professional fees is a timing variance that is expected to reverse in future periods; and
- (e) The favourable variance of approximately \$0.5 million in beginning cash balance arises from the reversal of payments stopped as a result of the commencement of the CCAA Proceedings which had been assumed to have cleared when the February 4 Forecast was prepared.

22. The Initial Order permits inter-company funding between the CCAA Parties. To date inter-company funding in the amount of approximately \$340,000 has been advanced from Bloom Lake LP to CQIM since the start of the CCAA Proceedings.

THE APRIL 2 FORECAST

23. The April 2 Forecast is attached hereto as Appendix A. The April 2 Forecast shows a net cash outflow of approximately \$21.7 million in the period March 28 to July 31, 2015, and is summarized below:

	\$000
Receipts	2,247
Disbursements:	
Payroll & Employee Benefits	(6,086)
Termination & Severance	(1,275)
Utilities	(2,523)
Other Operating Disbursements	(7,035)
Operating Cash Flows	(14,672)
Restructuring Professional Fees	(7,017)
Projected Net Cash Flow	(21,689)
Beginning Cash Balance	47,602
Projected Net Cash Flow	(21,689)
Ending Cash Balance	25,913

24. There are no significant changes in the underlying assumptions in the April 2 Forecast as compared to the February 4 Forecast.

REQUEST FOR THE CHROMITE APPROVAL AND VESTING ORDER

25. Capitalized terms used in this section of this Report not otherwise defined are as defined in the Chromite SPA.

THE CHROMITE MARKETING PROCESS

26. Details of the process undertaken for the solicitation of offers for the assets proposed to be sold pursuant to the Chromite SPA (the “**Chromite Marketing Process**”) are set out in the CCAA Parties’ Motion For The Issuance Of An Approval and Vesting Order With Respect To The Sale Of The Chromite Shares dated April 2, 2015 (the “**Chromite Motion**”).
27. The Monitor discussed the Chromite Marketing Process with the CCAA Parties and Moelis and was given the opportunity to provide input on the conduct of the Marketing Process.
28. Paragraph 82 of the Chromite Motion states:

“82. Given the marketing effort to date, limited number of participants in the chromite market, the uniqueness of the assets, the challenges described above in respect of the Ring of Fire and the fact that CNR's intentions to sell its investment in the Ring of Fire projects have been publicly known to the market since the fall of 2014 at the latest, the CCAA Parties are of the view that further canvassing of the market is not necessary.”

29. Moelis has also informed the Monitor that it is of the view that further canvassing of the market is not necessary.

THE CHROMITE SPA

30. A redacted copy of the Chromite SPA is attached to the Chromite Motion as Exhibit R-9. The only redactions are to maintain as confidential the allocation of the portion of the Purchase Price between those Sellers that are not CCAA Parties.
31. The key provisions of the Chromite SPA are as follows:

- (a) The Purchaser shall purchase the Purchased Shares for an aggregate purchase price of US\$20 million payable in cash, of which a deposit of US\$200,000 has been paid and is being held by the Monitor;
- (b) The Purchase Price is allocated amongst the Sellers such that CQIM will receive US\$14,298,806.10 or 71.49% of the Purchase Price, subject to a potential small adjustment prior to closing;
- (c) Closing shall take place one business day after the satisfaction of the conditions precedent to Closing and shall be deemed to occur when the Monitor's Certificate, which shall also be filed with the Court, is delivered to the Purchaser and the Sellers;
- (d) The Sellers shall not encourage, solicit, initiate discussions with or engage in negotiations with any person with respect to an Acquisition Proposal and shall terminate any such efforts;
- (e) Notwithstanding the foregoing, if a written Acquisition Proposal is received and the Sellers determine, after consultation with the Monitor, that such proposal is, or could reasonably be expected to lead to, a Superior Proposal, the Sellers shall be entitled to pursue such Superior Proposal and, if the Sellers determine that the completion of the resultant Alternative Proposal is reasonably likely, terminate the Chromite SPA and pay the Expense Reimbursement; and
- (f) The Expense Reimbursement provides for the reimbursement to the Purchaser of reasonable documented out-of-pocket fees, costs and expenses incurred in connection with the transactions contemplated by the Chromite SPA to a maximum of CAD\$250,000 if the Chromite SPA is terminated as described in (e) above.

32. The Chromite SPA is subject to a number of conditions. The obligation of the Chromite Purchaser and the Sellers to complete the Transaction is subject to the following conditions being satisfied or waived by all parties:
- (a) All Required Consents shall have been obtained in form and on terms satisfactory to Purchaser, Parent and the Sellers, each acting reasonably;
 - (b) The Chromite Approval and Vesting Order shall have been issued and entered in substantially the form of Exhibit G to the Chromite SPA (with such amendments as agreed to by the Purchaser, the Parent and the Sellers, in each case acting reasonably) and the Chromite Approval and Vesting Order shall not have been amended or modified in a manner prejudicial to any of the Parties or set aside, vacated or stayed;
 - (c) There shall be in effect no Law, or any order, injunction, decree or judgment of any court or other Government Entity making it illegal or directly or indirectly prohibiting, restraining, enjoining or preventing the consummation of any of the transactions contemplated by the Chromite SPA.
33. The obligation of the Sellers to complete the Transaction is subject to the following conditions being fulfilled or waived by the Sellers:
- (a) Each of the representations and warranties contained in Article III, in each case disregarding all materiality and Material Adverse Effect qualifications contained therein, shall be true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date, except, in each case, for any failure to be true and correct that, individually and together with other such failures, has not had and would not reasonably be expected to have a Material Adverse Effect;

- (b) The Purchaser and Parent shall each have performed in all material respects all material covenants, obligations and agreements contained in the Chromite SPA required to be performed by the Purchaser and Parent on or before the Closing;
- (c) The Sellers shall have been furnished with a certificate signed by a senior officer of each of the Purchaser and Parent certifying that the conditions set forth in Section 9.2(a) and Section 9.2(b) of the Chromite SPA have been satisfied;
- (d) The Sellers shall have been furnished with a certificate signed by a senior officer of each of the Purchaser and Parent certifying: (i) the constating documents and By-Laws of Purchaser and Parent; (ii) directors' resolutions of each of Purchaser and Parent authorizing the execution and delivery of this Agreement and the Transaction Documents and the performance of each such entity's obligations under this Agreement and the Transaction Documents; and (iii) certificates of incumbency of Purchaser and Parent;
- (e) The Purchaser and the Parent shall have certified in writing to the Sellers on the Closing Date that there have been no amendments to the Loan Documentation since such Loan Documentation was provided to the Purchaser and the Parent in accordance with Section 6.13 (other than any such amendments which have been consented to in writing by the Sellers in accordance with Section 6.13); and
- (f) The Purchaser and the Parent shall have performed and complied with all of the terms and conditions in the Chromite SPA on its part to be performed or complied with at or before the Closing and shall have executed and delivered or caused to have been executed or delivered to the Sellers at the Closing all the documents contemplated by the Chromite SPA to be executed by them.

34. The obligation of the Purchaser and the Parent to complete the Transaction is subject to the following conditions being fulfilled or waived by the Purchaser:
- (a) Each of the representations and warranties set forth in Article IV and Article V, in each case disregarding all materiality and Material Adverse Effect qualifications contained therein, shall be true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date, except, in each case, for any failure to be true and correct that, individually and together with other such failures, has not had and would not reasonably be expected to have a Material Adverse Effect;
 - (b) The Sellers shall have complied in all material respects with all material covenants, obligations and agreements contained in this Agreement required to be performed by the Sellers on or before the Closing;
 - (c) Between the date of the Chromite SPA and the Closing Date, there shall have been no Material Adverse Effect in respect of the Targets;
 - (d) Upon completion of the transactions contemplated by this Agreement, the Purchaser shall own 100% of the Purchased Shares free and clear of all Liens (other than Permitted Encumbrances);
 - (e) The Parent and Purchaser shall have entered into the Loan Documentation and shall have received funds thereunder in an amount not less than the Purchase Price;
 - (f) The Pre-Acquisition Reorganization shall have been effected in the manner described in Exhibit H;
 - (g) The Sellers shall have settled all Related-Party Debt in accordance with Exhibit H and in accordance with Section 6.5;

- (h) The Purchaser and Parent shall have received the written resignation of all the officers and directors of Amalco and RoadCo, together with a release and discharge in the form of Exhibit F;
- (i) The Purchaser and Parent shall have been furnished with a certificate signed by a senior officer of each of the Sellers that the conditions set forth in Section 9.3(a) and Section 9.3(b) have been satisfied;
- (j) The Purchaser and Parent shall have been furnished with a certificate signed by a senior officer or managing director, as the case may be, of each of the Sellers certifying: (i) the constating documents and By-Laws of Amalco, CQIM, Cliffs Greene and Cliffs Netherlands and the Additional Sellers; (ii) directors' resolutions of each of the Sellers authorizing the execution and delivery of the Chromite SPA and the Transaction Documents and the performance of each such entity's obligations under the Chromite SPA and the Transaction Documents; (iii) directors' or shareholders' resolutions, as required, of the Sellers, Cliffs Far North, Cliffs Ontario and Amalco authorizing the transactions contemplated by this Agreement, including the Pre-Acquisition Reorganization and the transfer of the Purchased Shares; and (iv) certificates of incumbency of the Sellers;
- (k) The Purchaser and Parent will have received all minute books and share ledgers of Cliffs Ontario, Cliffs Far North, Amalco and RoadCo; and
- (l) Each Seller shall have performed and complied, in all material respects, with all of the terms and conditions in the Chromite SPA on its part to be performed or complied with at or before the Closing and shall have executed and delivered or caused to have been executed or delivered to the Purchaser at the Closing all the documents contemplated by this Agreement to be executed by them.

THE MONITOR'S COMMENTS AND RECOMMENDATION

35. While the inclusion of an expense reimbursement in a CCAA sale agreement is, in the Monitor's view, unusual except where such an agreement is being positioned as a "stalking horse agreement", in this case the Sellers have negotiated the ability to terminate the Chromite SPA in order to proceed with an Alternative Proposal if such a course of action would be beneficial to stakeholders in return for payment of the Expense Reimbursement.
36. The Monitor notes that the Expense Reimbursement is only payable in the event that the Sellers terminate the Chromite SPA to proceed with an Alternative Proposal and the maximum Expense Reimbursement of CAD\$250,000 represents only approximately 1% of the Purchase Price at current CAD\$/US\$ exchange rates. Accordingly, the Monitor believes that the Expense Reimbursement is reasonable in the circumstances of the transaction.
37. The inclusion of a financing condition in favour of the Purchaser and Parent that must only be satisfied by the Closing Date provides some risk that Closing may not occur notwithstanding the granting of the Chromite Approval and Vesting Order. In accordance with section 6.13 of the Chromite SPA, the Sellers have been provided with a copy of the Loan Documentation pursuant to which the Purchaser and the Parent are to be provided with the necessary financing to satisfy the Purchase Price. While the Loan Documentation is itself subject to a number of conditions to closing, CQIM has informed the Monitor that it has reviewed the Loan Documentation and has a reasonable degree of confidence that the financing condition will be satisfied such that Closing can occur.
38. The proposed form of the Chromite Approval and Vesting Order provides for approval of the Chromite Transaction. The Monitor notes that the Chromite Transaction involves transactions by Sellers that are not CCAA Parties but that the Purchaser wishes to purchase all of the Purchased Shares and is requesting that the Chromite Approval and Vesting Order be sought in the form proposed.

39. Section 36(1) of the CCAA states:

“36(1) **Restriction on disposition of business assets** - A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.”

40. Section 36(3) of the CCAA states:

“(3) **Factors to be considered** - In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a Report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.”

41. The Monitor has considered the conduct of the Chromite Marketing Process in light of the principles of leading decisions regarding Court-approved sales of assets¹ and is satisfied that the marketing process was fair, transparent and reasonable in the circumstances. Furthermore, the Monitor concurs with the views of the CCAA Parties and Moelis that further canvassing of the market is not necessary in the circumstances.
42. Paragraphs 70 to 72 of the Chromite Motion describe the circumstances with respect to the Additional LOI, as defined in the Chromite Motion and the determination that it was in the best interests of CQIM and the other Sellers to proceed to finalize and execute the proposed Transaction with the Purchaser, rather than terminate those negotiations and pursue a transaction based on the Additional LOI. The Monitor was consulted on that determination and is of the view that, given the conditionality of the Additional LOI, the downside risk of terminating negotiations with the Purchaser when the execution of the Chromite SPA appeared imminent outweighed the benefit of a potentially higher purchase price if the conditions of the Additional LOI could be satisfied and a definitive agreement negotiated at that price. Accordingly, the Monitor concurs with CQIM’s assessment.

¹ *Royal Bank of Canada v. Soundair Corp.* (1991) 4 O.R. (3d) 1 (C.A.), 1991 CanLII 2727 (ON CA); *Aveos Fleet Performance Inc./Aveos performance aéronautique inc.* (arrangement relatif à), 2012 QCCS 4074 (CanLII); *White Birch Paper Holding Company (Arrangement relatif à)*, 2010 QCCS 4915 (CanLII), leave to appeal refused 2010 QCCA 1950 (CanLII); *AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6460 (CanLII).

43. The Chromite Marketing Process started long before the commencement of the CCAA Proceedings. However, since its appointment, the Monitor has been provided with all the information it has requested in respect of the Chromite Marketing Process, including the expressions of interest and letters of intent obtained. The CCAA Parties have provided their full cooperation and have consulted with the Monitor in respect of all material decisions with respect to the Chromite Marketing Process since the commencement of the CCAA Proceedings.
44. There are no creditors of the estate that hold security over the Purchased Shares. Accordingly, it was not considered necessary or appropriate to consult with creditors. However, the Monitor notes that Cliffs Natural Resources Inc. and its subsidiaries are likely, in the aggregate, the largest creditors in the estate and that a number of those entities are parties to the Chromite SPA so were directly involved in its negotiation.
45. The Monitor is of the view that results of the Chromite Marketing Process indicate that the Purchase Price is fair and reasonable in the circumstances. The allocation of the Purchase Price amongst the Sellers has been made based on the relative amounts of Related-Party Debt. The Monitor has discussed the Purchase Price allocation methodology with the Sellers and their advisors and is satisfied that the methodology is fair and reasonable in the circumstances.
46. Based on the foregoing, the Monitor supports the Chromite Motion and respectfully recommends that the Chromite Approval and Vesting Order be granted by the Court.

REQUEST FOR APPROVAL OF THE CAMP LEASE

47. Capitalized terms used in this section of this Report not otherwise defined are as defined in the Camp Lease.

THE CAMP LEASE

48. A description of the Mont-Wright Camp and the previous occupation and service arrangements is set out in the CCAA Parties' Motion For Approval Of The Lease Of Certain Property By The Petitioner 8568391 Canada Inc. dated April 1, 2015 (the "**Camp Lease Motion**").
49. The key terms of the Camp Lease are summarized as follows:
- (a) The term of the Camp Lease is twenty-four months commencing on February 1, 2015, unless sooner terminated or extended under the provisions of the Camp Lease;
 - (b) Provided that the Tenant is not in default of its obligations under the Camp Lease beyond any applicable cure period, the Tenant will have three options to renew the Camp Lease with respect to all or any portion of the Leased Premises then subject to the Camp Lease, each for a period of twelve months;
 - (c) The net rent payable for the Term of the Camp Lease and any renewals is \$100,000 per month and, in addition to the net rent, the Tenant shall pay as additional rental to the Landlord equal to one hundred percent of all taxes and operating expenses of the Leased Premises plus all applicable taxes;
 - (d) The Tenant undertakes to provide cafeteria services to approximately fifty-five of the employees and other invitees of the Landlord, its affiliates or related entities for the months of March and April 2015 and to approximately thirty-five of the employees and other invitees of the Landlord, its affiliates or related entities for the remainder of the Term of the Camp Lease starting May 1, 2015 at the Fermont mining camp owned by the Tenant and situated in Fermont, Quebec;

- (e) The Landlord shall have the right at its sole discretion to assign its rights and obligations under the Camp Lease or otherwise transfer the Leased Premises and the Building to a third party without obtaining the consent of the Tenant;
- (f) Notwithstanding any other provision of the Camp Lease, the Landlord or the Tenant shall have the right to terminate the Camp Lease at any time during the Term or Renewal Option provided it notifies the other party with a prior ninety days written notice; and
- (g) The Camp Lease is conditional on Court approval in accordance with paragraph 33(c) of the Amended Initial Order.

THE MONITOR’S COMMENTS AND RECOMMENDATIONS

50. The CCAA Parties state in paragraphs 21 to 25 of the Camp Lease Motion that:

“21. The rent payments and the terms of the Lease were negotiated at arm's length.

22. Given the location of the Leased Premises, no persons other than the CCAA Parties (including a future owner or operator of the Bloom Lake Mine) and the Tenant would have any use for the Leased Premises.

23. If the Landlord were not to lease the Leased Premises to the Tenant pursuant to the Lease, the Leased Premises would remain empty and CQIM would have to continue to bear the costs of maintaining them.

24. The CCAA Parties believe that entering into the Lease constitutes the most effective way of realizing cashflow from the Leased Premises, for the ultimate benefit of the CCAA Parties' creditors and other stakeholders.

25. The terms of the Lease, including the termination rights, were negotiated such that the Lease would not be prejudicial to the sale process to be formally entered into shortly by the CCAA Parties.”

51. The Monitor was consulted throughout the process of negotiating the Camp Lease and concurs with the above statements.
52. The Monitor is of the view that:
- (a) The terms of the Camp Lease are reasonable in the circumstances;
 - (b) Approval of the Camp Lease will not adversely affect the SISP; and
 - (c) Approval of the Camp Lease will be beneficial to the CCAA Parties’ stakeholders.
53. Accordingly, the Monitor supports the Camp Lease Motion and respectfully recommends that an Order approving the Camp Lease be granted by the Court.

REQUEST FOR APPROVAL OF THE MOELIS ENGAGEMENT LETTER AND THE CREATION OF THE SALE ADVISOR CHARGE

54. Capitalized terms used in this section of this Report not otherwise defined are as defined in the Moelis Engagement Letter.

THE MOELIS ENGAGEMENT LETTER

55. As described in the CCAA Parties’ Motion For Authorization Of The Engagement Of A Sale Advisor And Amending The Initial Order dated April 2, 2015 (the “**Moelis Motion**”), Moelis has been assisting with efforts to sell the businesses and assets of the CCAA Parties and their Canadian affiliates for some time, both before and after the commencement of the CCAA Proceedings.

56. The Moelis Engagement Letter is dated March 23, 2015 and contains the following key terms:

- (a) The parties to the Moelis Engagement Letter include CQIM, Bloom Lake GP and certain of their affiliates that are not Petitioners or Mises-en-cause in the CCAA Proceedings (the “**Non-CCAA SISP Parties**”), which is consistent with the inclusion of business and assets of the Non-CCAA SISP Parties in the proposed SISP;
- (b) The amounts payable under the Moelis Engagement Letter are as follows:
 - (i) The Monthly Retainer Fee payable on the first day of each month during the period commencing on the Effective Date and ending on the earlier of (x) the six month anniversary of the Moelis Engagement Letter, (y) closing of a Transaction relating to such Business, and (z) termination of the Moelis Engagement Letter. The last three Monthly Retainer Fees shall be offset, to the extent paid, against the Transaction Fee;
 - (ii) The Transaction Fee, calculated separately with respect to each Transaction and payable promptly at the closing of a Transaction;
 - (iii) The Termination Fee, calculated as a percentage of any Termination Amount received as a result of a Transaction failing to close;
 - (iv) Out-of-pocket and documented reasonable expenses as they are incurred, subject to monthly and aggregate maximums;

- (c) The CCAA Parties are not responsible for the payment of Monthly Retainer Fees, Transaction Fees or Termination Fees relating to Non-CCAA SISP Parties;
 - (d) A Tail Period of twelve months in respect of Transaction Fees and Termination Fees;
 - (e) CQIM and Bloom Lake GP will use their reasonable best efforts to seek the Moelis Approval Order in a form acceptable to Moelis, acting reasonably;
 - (f) The CCAA Parties are required to use their reasonable best efforts to obtain a charge over the property of each CCAA Party securing the Monthly Retainer Fee, Transaction Fees and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each CCAA Party, on a several basis, with such charge having priority over all claims of unsecured creditors of such CCAA Parties, but to be subordinated to the Administration Charge and Directors' Charge and all secured claims;
 - (g) A broad indemnity in favour of Moelis and its affiliates and any of their respective current or former directors, officers, partners, managers, agents, representatives or employees, including any person controlling Moelis or any of its affiliates.
57. The payment of the Transaction Fees payable under the Moelis Engagement Letter has been guaranteed by Cliffs Natural Resources Inc. (“**CNR**”) the ultimate parent of the CCAA Parties pursuant to a confidential letter agreement between Moelis and CNR dated March 23, 2015 (the “**Moelis/CNR Letter**”).

58. In addition, the Moelis/CNR Letter provides for payment of the Transaction Fee in respect of certain amounts for which the Transaction Fee would not be payable under the terms of the Moelis Engagement Letter and without duplication to any amount already included in the Transaction Fee payable (or paid) under the Moelis Engagement Letter.

THE SALE ADVISOR CHARGE

59. As noted above, pursuant to the Moelis Engagement Letter, the CCAA Parties are required to use their reasonable best efforts to obtain a charge over the property of each CCAA Party securing the Monthly Retainer Fee, Transaction Fees (as such terms are defined in the Moelis Engagement Letter) and expenses reimbursable pursuant to the Moelis Engagement Letter payable by each CCAA Party, on a several basis, with such charge having priority over all claims of unsecured creditors of such CCAA Parties, but to be subordinated to the Administration Charge and Directors' Charge and all secured claims.
60. The Sale Advisor Charge, if granted, would be limited to a maximum of US\$8 million, being the maximum amount of the Transaction Fees that could become payable by the CCAA Parties under the Moelis Engagement Letter.

THE MONITOR'S COMMENTS AND RECOMMENDATIONS

61. Moelis is a well-known financial advisor and investment banker and has significant experience in providing such services in the context of court supervised restructuring proceedings. The engagement with the CCAA Parties is under the supervision of Mr. Mark Henkels, Managing Director, and Mr. Carlo De Girolamo, Senior Vice President.

62. The Monitor is of the view that the engagement of an investment banker to assist the CCAA Parties in the implementation of the SISP is, in the circumstances of these CCAA Proceedings, beneficial to the estate and its stakeholders generally and to the efficient completion of the CCAA Proceedings. Furthermore, Moelis has already been providing assistance and advice to the CCAA Parties for some time and is familiar with the businesses and assets. Accordingly, the Monitor is of the view that Moelis is a logical and appropriate choice in the circumstances.
63. While the appointment of an investment banker is not uncommon in CCAA cases, the details of compensation arrangements are often kept confidential. Accordingly, exhaustive research on compensation arrangements approved in CCAA cases is difficult, if not impossible.
64. The Monitor and its counsel have reviewed publicly available information in respect of CCAA filings and have identified a number of recent CCAA cases in which an investment banker has been appointed. Publicly available information with respect to the terms of the engagements in those cases is summarized in Appendix B hereto. Based on this information, together with non-public engagement terms from other proceedings of which the Monitor or its counsel has knowledge, the Monitor is of the view that the amounts payable under the Moelis Engagement Letter are within market parameters.
65. While the Transaction Fees are payable on closing of Transactions, Transaction Value includes assumed liabilities and it is possible that, in certain circumstances, the Transaction Fee could exceed the amount of cash purchase price in a Transaction. Accordingly, Moelis has requested that the CCAA Parties seek the creation of the Sale Advisor Charge to secure payment of the Transaction Fees payable by the CCAA Parties. The Monitor is of the view that although the risk of a claim under the Sale Advisor Charge is remote, the creation of the Sale Advisor Charge is nonetheless appropriate and not unduly prejudicial to the creditors of the CCAA Parties in the circumstances.

66. The Monitor has reviewed the CNR/Moelis Letter and is satisfied that any amounts payable thereunder are not in duplication of amounts payable under the Moelis Engagement Letter. Indeed, while it is not possible for the Monitor to identify and consider all possible transaction scenarios, the Monitor has not been able to construct any likely scenario where additional amounts would be payable under the CNR/Moelis Letter. Furthermore, the Monitor does not view the CNR/Moelis Letter as creating any conflict of interest for Moelis.
67. Accordingly, the Monitor supports the Moelis Motion and respectfully recommends that the CCAA Parties' request for the approval of the engagement of Moelis pursuant to the terms of the Moelis Engagement Letter and the creation the Sale Advisor Charge.

REQUEST FOR APPROVAL OF THE SISP

68. Capitalized terms used in this section of this Report not otherwise defined are as defined in the SISP, which is attached as Exhibit R-3 to the CCAA Parties' Motion For An Order Approving A Sale And Investor Solicitation Process dated April 2, 2015 (the "**SISP Motion**").

THE SISP

69. The key aspects of the SISP are summarized as follows:
- (a) The property that is available for sale pursuant to the SISP is comprised of all property, assets and undertaking (other the Chromite Shares) of the CCAA Parties and Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "**Non-CCAA Parties**") and together with the CCAA Parties, collectively, the "**Companies**"; the businesses in which an investment may be made pursuant to the SISP are the Bloom Lake Business, the Wabush Mine Business and the Port Business;

- (b) Qualified Phase I Bidders will have the opportunity to submit a Sale Proposal or a Plan Sponsorship Proposal. Sale Proposals and Plan Sponsorship Proposals may be in respect of only a part or parts of the Property or Businesses, and any such proposal will not be precluded from consideration as an acceptable LOI, Qualified Bid or Successful Bid;
- (c) A list of Prospective Bidders will be prepared and appropriate advertising will be determined, which may include newspaper, trade publication, internet or other advertising directed at Prospective Bidders;
- (d) Prospective Bidders will be required to sign a Confidentiality Agreement in order to gain access to the Summary of Businesses, the Data Room and other confidential information;
- (e) Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Phase I Bidder, a Prospective Bidder must deliver by the LOI Deadline, being 5:00 p.m. (Montréal time) on May 19, 2015 or such later date and/or time as the applicable Companies in respect of one or more Businesses may, in consultation with the Monitor, determine appropriate or as the Court may order;
- (f) The Companies, in consultation with Moelis and the Monitor, shall consider each LOI and the other materials submitted by a Prospective Bidder whether or not the Prospective Bidder constitutes a Qualified Phase I Bidder;

- (g) Notwithstanding the process and deadlines with respect to LOIs, the Companies, in consultation with Moelis and the Monitor, may at any time prior to the applicable Bid Deadline bring a motion to seek approval of a stalking horse purchase agreement in respect of some or all of the Property and related amendments to the SISP, including with respect to an extension to the applicable Bid Deadline;
- (h) Binding offers for a Sale Proposal or Plan Sponsorship Proposal must be submitted in writing by the Bid Deadline, which will be determined by the applicable Companies, in consultation with Moelis and the Monitor, or as may be fixed by the Court;
- (i) If, after consultation with Moelis and Monitor, the applicable Companies determine that only one Qualified Bid, which may include a combination of non-overlapping Qualified Portion Bids, was received, the applicable Companies may choose to accept such Qualified Bid and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder;
- (j) If, after consultation with Moelis and Monitor, the applicable Companies determine that more than one Qualified Bid was received with respect to one or more Businesses or a part thereof, then the applicable Companies shall conduct one or more Auctions to determine the highest and/or best Sale Proposal or Plan Sponsorship Proposal or Aggregated Bid for one or more of the Businesses or any part thereof; and
- (k) All Successful Bids involving the CCAA Parties' Business or Property shall be subject to approval of the Court.

70. The SISP includes requirements for the Companies to consult with the Monitor throughout the process. Non-material amendments may be made to the SISP as agreed to by the Companies and the Monitor. No material amendment to the SISP can be made without the approval of the Court on notice to the Service List.

THE MONITOR'S COMMENTS AND RECOMMENDATION

71. As noted above, the SISP includes the Businesses and assets of the Non-CCAA Parties. Given the nature and locations of the assets and Businesses and the degree of reliance between certain of them, the Monitor is of the view that the inclusion of the Non-CCAA Parties is beneficial as it is possible that interested parties may wish to acquire combinations of businesses or assets of both the CCAA Parties and Non-CCAA Parties.
72. The Monitor has considered the SISP in light of the principles of section 36 of the CCAA and leading decisions dealing with the sale of assets in court-supervised proceedings and is of the view that the SISP is consistent with those principles and provides for a broad, open, fair and transparent process with an appropriate level of independent oversight, that should encourage and facilitate bidding by interested parties and is reasonable in the circumstances. Furthermore, the Monitor does not believe that any aspect of the SISP should discourage parties from submitting offers.
73. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for approval of the SISP be granted.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

74. The Stay Period currently expires on April 30, 2015. Additional time is required for the CCAA Parties to implement the SISP, if the SISP is approved by the Court, and complete any transactions arising therefrom, to develop and seek approval of a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and to undertake the other activities necessary to complete the CCAA Proceedings. The continuation of the stay of proceedings is necessary to provide the stability needed during that time. Accordingly, the CCAA Parties now seek an extension of the Stay Period to July 31, 2015.
75. The April 2 Forecast demonstrates that, subject to the underlying assumptions thereof, the CCAA Parties have sufficient liquidity to fund the CCAA Proceedings to July 31 2015. Consistent with the February 4 Forecast and as disclosed to the Court, the April 2 Forecast does not include payment of equipment financing and leases or Take or Pay Amounts.
76. Based on the information currently available, the Monitor believes that creditors would not be materially prejudiced by an extension of the Stay Period to July 31, 2015.
77. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
78. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for an extension of the Stay period to July 31, 2015.

The Monitor respectfully submits to the Court this, its Third Report.

Dated this 7th day of April, 2015.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Bloom Lake General Partner Limited, Quinto Mining Corporation,
8568391 Canada Limited, Cliffs Québec Iron Mining ULC,
The Bloom Lake Iron Ore Mine Limited Partnership and
Bloom Lake Railway Company Limited



Nigel D. Meakin
Senior Managing Director



Steven Bissell
Managing Director

Appendix A

The April 2 Forecast

CCAA Parties Cash Flow Projection

Amounts in CAD in thousands

Week Ending Friday	3-Apr-15	10-Apr-15	17-Apr-15	24-Apr-15	1-May-15	8-May-15	15-May-15	22-May-15	29-May-15	5-Jun-15	12-Jun-15	19-Jun-15	26-Jun-15	3-Jul-15	10-Jul-15	17-Jul-15	24-Jul-15	31-Jul-15	Total		
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
Cash Flow from Operations																					
Receipts	1,557	-	-	345	-	-	-	-	115	-	-	-	115	-	-	-	-	115		2,247	
Payroll & Employee Benefits	(380)	(573)	(377)	(389)	(365)	(285)	(580)	(113)	(532)	(113)	(708)	(13)	(416)	(220)	(594)	(13)	(356)	(59)		(6,086)	
Termination & Severance	(90)	(226)	-	(295)	(177)	-	(254)	-	(69)	-	(48)	-	(77)	-	(39)	-	-	-		(1,275)	
Utilities	(732)	(106)	(78)	(187)	(83)	(106)	(78)	(78)	(189)	(81)	(106)	(78)	(189)	(61)	(86)	(58)	(58)	(169)		(2,523)	
Other Operating Disbursements	(638)	(405)	(115)	(717)	(185)	(194)	(220)	(676)	(531)	(210)	(346)	(590)	(431)	(265)	(444)	(532)	(190)	(346)		(7,035)	
Operating Cash Flows	(283)	(1,310)	(570)	(1,243)	(810)	(585)	(1,132)	(867)	(1,206)	(404)	(1,208)	(681)	(998)	(546)	(1,163)	(603)	(604)	(459)		(14,672)	
Restructuring Professional Fees	(115)	(1,880)	(273)	(685)	(335)	(273)	(273)	(273)	(283)	(348)	(273)	(273)	(283)	(348)	(273)	(273)	(273)	(283)		(7,017)	
Projected Net Cash Flow	(398)	(3,190)	(843)	(1,928)	(1,145)	(858)	(1,405)	(1,140)	(1,489)	(752)	(1,481)	(954)	(1,281)	(894)	(1,436)	(876)	(877)	(742)		(21,689)	
Beginning Cash Balance	47,602	47,204	44,014	43,171	41,243	40,098	39,240	37,835	36,695	35,206	34,454	32,973	32,019	30,738	29,844	28,408	27,532	26,655		47,602	
DIP Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Projected Net Cash Flow	(398)	(3,190)	(843)	(1,928)	(1,145)	(858)	(1,405)	(1,140)	(1,489)	(752)	(1,481)	(954)	(1,281)	(894)	(1,436)	(876)	(877)	(742)		(21,689)	
Ending Cash Balance	47,204	44,014	43,171	41,243	40,098	39,240	37,835	36,695	35,206	34,454	32,973	32,019	30,738	29,844	28,408	27,532	26,655	25,913		25,913	

Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the CCAA Parties during the forecast period.
- [2] Receipts in the week ending April 3rd include actual proceeds from the sale in April 2012 by Quinto Mining Corporation to a third party of certain mining claims. Forecast receipts for the balance of the forecast period include receipts pursuant to a lease of certain property which is subject to approval of the Court.
- [3] Forecast Payroll & Employee Benefits disbursements are based on actual payroll funding in the period leading up to the forecast period combined with scheduled reductions in staffing.
- [4] Termination & Severance disbursements are based on estimated amounts payable for past and future planned headcount reductions.
- [5] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Bloom Lake operations on care and maintenance mode, and reflect current payment terms, rates and estimated consumption over the forecast period.
- [6] Forecast Other Operating Disbursements reflect actual payment trends observed in the weeks leading up to the forecast and reflect the current care and maintenance status of the Bloom Lake mine. The timing of Other Operating Disbursements are assumed to be cash on delivery.
- [7] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings based on estimates obtained from legal and professional advisors.

Appendix B

Publicly Available Terms of Investment Banker Engagements

SUMMARY OF FINANCIAL ADVISOR FEES IN RECENT RESTRUCTURING TRANSACTIONS

	Jurisdiction & Filing Date	Work Fee	Debt Restructuring Fee	Financing Fees	Sale / M&A Fees	Opinion Fee	Tail Period	Court-Ordered Charge
<u>Moelis & Company</u> (Veris Gold Corp.)	British Columbia – June 2014	\$100,000/month, with the exception of the second month, where fees increase to \$200,000 for one month, fully set off against transaction fees.	N/A	N/A	3% of transaction value (including assumption of debt) for one or more transactions. Minimum aggregate fee: \$ 2 million. 25% of any break fees received by company on an incomplete transaction. Additional “alternative transaction fees” in specified circumstances.	To be negotiated at later date	Agreement on transaction within <u>12 months</u> post-termination	Split charge: - First/Fourth. Transaction fees secured by fourth ranking charge

	Jurisdiction & Filing Date	Work Fee	Debt Restructuring Fee	Financing Fees	Sale / M&A Fees	Opinion Fee	Tail Period	Court-Ordered Charge
<u>Rothschild</u> (The Cash Store Financial Services Inc.)	Ontario – April 2014	\$125,000/month, partially set off against transaction fees	\$1,500,000	1% - 5% depending upon nature of financing and ranking of security (if any)	1.5% of aggregate consideration (including assumed debt). Additional consideration for returns (if any) to equity holders.	\$500,000	Agreement on transaction within <u>12 months</u> post-termination	First ranking. Note: Charge is limited to \$1,500,000 and must be shared by all professionals.
<u>Rothschild</u> (US Steel Canada Inc.)	Ontario – September 2014	\$200,000/month, subject to re-evaluation at later dates, partially set off against transaction fees.	\$5,500,000 payable on closing of a “Restructuring Transaction” or a Plan. A Restructuring Transaction could include elements of either a debt restructuring, re-financing or sale transaction. Intercompany transaction fees also contemplated, but only in the case of a transaction occurring outside of an insolvency proceeding.			To be negotiated at later date	Closing of transaction within <u>12 months</u> post-termination	Split charge – First/Fourth. Transaction fees secured by fourth ranking charge
<u>Ernst & Young Orenda Corporate Finance Inc.</u> (Poseidon Concepts Corp.)	Alberta April 2013	\$25,000/month, subject to set off against transaction fees	3% of transaction value (including assumed debt). Minimum: \$350,000	N/A	3% of transaction value (including assumed debt). Minimum: \$350,000	To be negotiated at later date	Closing of transaction within <u>18 months</u> post-termination	First ranking. Note: Charge limited to \$1,000,000 and must be shared by all professionals.

	Jurisdiction & Filing Date	Work Fee	Debt Restructuring Fee	Financing Fees	Sale / M&A Fees	Opinion Fee	Tail Period	Court-Ordered Charge
<u>Houlihan Lokey Capital, Inc.</u> <u>(Sino-Forest Corporation)</u>	Ontario April 2012	\$200,000/month	\$8,000,000	3% of debt financing raised 5% of equity/equity-linked financing raised Minimum, when aggregated with all other fees: \$8 million.	0.75%-1.25% of aggregate consideration (including assumed debt) Minimum, when aggregated with all other fees: \$8 million.	To be negotiated at later date	Agreement on transaction within <u>18 months</u> post-termination	First ranking. Note: Charge is limited to \$15,000,000 and must be shared by all professionals.
<u>CIBC World Markets Inc.</u> <u>(Great Basin Gold Ltd.)</u>	British Columbia September 2012	\$100,000/month, subject to partial set off against Sale Transaction Fees	0.75% of principal value of debt included in restructuring transaction, less any Sale Transaction Fees earned	N/A	1.25% of aggregate consideration (including assumed debt) Minimum: \$1.5 million	None	Agreement on transaction within <u>6 months</u> post-termination, subject to an increased tail period in the case of early termination.	Split charge – First/Fifth. First ranking for a maximum of \$1,000,000. Fifth ranking for all remaining amounts.

Appendix B

The Amended SISP (Black-line)

AMENDED AND RESTATED SALE AND INVESTOR SOLICITATION PROCEDURES

Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited, Cliffs Québec Iron Mining ULC (formerly, Cliffs Québec Iron Mining Limited), Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership, ~~together with~~ Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company, Limited

Recitals

- A. On January 27, 2015 Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (formerly, Cliffs Québec Iron Mining Limited), as petitioners, and The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake Railway Company Limited, as mises-en-cause (collectively, the “~~Petitioners~~”) filed for and Bloom Lake CCAA Parties”), obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) under Court File No. 500-11-048114-157 (such proceedings, the “CCAA Proceedings”) pursuant to the provisions of an order (as it may be amended, restated or supplemented from time to time, the “Bloom Lake Initial Order”) of the Québec Superior Court (Commercial Division) in the District of Montréal (the “**Court**”).
- B. ~~The relief granted to the Petitioners under the Initial Order was extended to The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake Railway Company Limited as mises-en-cause (such entities, together with the Petitioners and any other entities that may be added from time to time as petitioners or mises-en-cause with the same protections in the CCAA Proceedings, collectively, the “CCAA Parties”).~~ On May 20, 2015 and Wabush Iron Co. Limited and Wabush Resources Inc., as petitioners, and Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited, as mises-en-cause, (such entities, together with the Bloom Lake CCAA Parties, collectively, the “Companies”) obtained protection from their creditors in the CCAA Proceedings pursuant to the provisions of an order of the Court (as it may be amended, restated or supplemented from time to time, the “Wabush Initial Order”).

- C. Pursuant to the [Bloom Lake Initial Order and Wabush](#) Initial Order, FTI Consulting Canada Inc. was appointed as monitor (in its capacity as monitor and not in its personal or corporate capacity, the “**Monitor**”) [of the Companies](#) during the CCAA Proceedings.
- D. Pursuant to an order of the Court dated ~~F.~~ [April 17](#), 2015 (as it may be amended, restated or supplemented from time to time, the “**SISP Approval Order**”), the Court approved a sale and investor solicitation process to be continued in respect of the Companies, in accordance with the procedures, terms and conditions set out herein (as such process may be amended, restated or supplemented pursuant to the terms herein, the “**SISP**”).
- [E.](#) [Pursuant to an order of the Court dated June 9, 2015, this amended and restated SISP was approved by the Court.](#)
- [E.](#) ~~E.~~ The property that is available for sale pursuant to the SISP (collectively, the “**Property**”) is comprised of all property, assets and undertaking of the ~~CCAA Parties and Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company and Wabush Lake Railway Company, Limited (the “Non-CCAA Parties” and together with the CCAA Parties, collectively, the “Companies”)~~ [Companies](#), all as more particularly described in the Teaser and Summary of Businesses.
- [G.](#) ~~F.~~ The businesses in which an investment may be made pursuant to the SISP (collectively, the “**Businesses**”) are the Bloom Lake Business, the Wabush Mine Business and the Port Business.
- [H.](#) ~~G.~~ For greater certainty, the Property and Businesses available for sale or investment pursuant to the SISP do not include the Chromite Business or any property, assets or undertaking of the Companies related to such business.
- [I.](#) ~~H.~~ This SISP describes, among other things:
- i. the manner in which the opportunity to purchase some or all of the Property, or invest in one or more of the Businesses through a Plan sponsorship, can be obtained;

- ii. the manner in which Prospective Bidders may gain access to or continue to have access to due diligence materials concerning the Property, the Companies and the Businesses and timelines applicable thereto;
- iii. the manner and timelines in which Prospective Bidders may submit an LOI for all or substantially all of the Property or any part thereof, and the required content of an LOI;
- iv. the manner and timelines in which Qualified Phase I Bidders may submit a Qualified Bid and the required content of a Qualified Bid;
- v. the manner in which an Auction or Auctions may be held in the event that more than one Qualified Bid is received in accordance with the SISP;
- vi. the process and criteria for the ultimate selection of one or more Successful Bids; and
- vii. the process for approval of one or more Successful Bids by the Court.

1. ~~The~~ SISP Approval Order, the SISP, and any other orders of the Court made in the CCAA Proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of some or all of the Property or investments in the Businesses or any part thereof. An investment in the Businesses may involve, among other things, a restructuring, recapitalization, or other form of reorganization of the business and affairs of the Companies or any part thereof, and such investment may be consummated pursuant to a plan of compromise or arrangement (a “**Plan**”) or otherwise.

K. ~~J.~~ Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

1. All capitalized terms used herein shall have the meanings given to them in Appendix “A” hereto.

Conduct of the SISP

2. Conduct of SISP. The SISP will be carried out by the Companies, with the assistance of, and in consultation with, the Sale Advisor and the Monitor. The Companies, the Sale Advisor and the Monitor are fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP.

3. Advice and Directions. If it is determined at any time by the ~~CCAA Parties~~ Companies, in consultation with the Sale Advisor and the Monitor, that it may not be in the best interests of the ~~CCAA Parties~~ Companies to continue with the SISP with respect to one or more of the Businesses, the ~~CCAA Parties~~ Companies shall as soon as reasonably practicable file a motion with the Court seeking advice and directions with the respect to the modification, suspension or termination of the SISP in respect of the applicable Businesses, on notice to the Service List. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~

4. Consultation and Retention of Agents and Consultants. At any time during the SISP, the ~~CCAA Parties~~ Companies may from time to time (a) consult with the Sale Advisor and the Monitor and such other parties as the ~~CCAA Parties~~ Companies consider appropriate in respect of the conduct of the SISP, (b) with the consent of the Monitor or approval of the Court, retain such agents, consultants or brokers as they consider appropriate to assist them in the conduct of the SISP, and/or (c) apply to the Court for advice and directions with respect to the discharge of any of their powers and duties hereunder.

5. Primary SISP Responsibilities. In connection with the SISP, the Companies’ primary responsibilities include:

- (a) assisting the Sale Advisor with the preparation of a list of Prospective Bidders;
- (b) preparing the Summary of Businesses and assisting the Sale Advisor with preparing the Teaser Letter;
- (c) assisting legal counsel with the preparation of the template form of confidentiality agreement to be executed by Prospective Bidders (such confidentiality agreement and any other form of confidentiality agreement executed by a Prospective Bidder in favour of the Companies, the “**Confidentiality Agreement**”);
- (d) establishing and managing an electronic data room with confidential information in respect of the Companies, the Property and the Businesses (the “**Data Room**”);
- (e) assisting legal counsel with the preparation of the template Form of APA and if the Companies so elect, the template Form of PSA;
- (f) assisting the Sale Advisor with managing all communications with Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders, prior to and after receipt of the LOIs and Qualified Bids. These communications shall include, without limitation, facilitating the delivery of all communications, contacting Prospective Bidders and providing them with the Teaser Letter and the Summary of Businesses and coordinating the execution of the Confidentiality Agreements by Prospective Bidders, managing the process of answering all reasonable inquiries from Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders and arranging for site visits by Prospective Bidders, Qualified Phase I Bidders and Qualified Bidders;
- (g) negotiating with Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders;
- (h) reviewing and considering the LOIs and Qualified Bids; and

- (i) if applicable, conducting an Auction or Auctions with respect to one or more of the Businesses in accordance with the SISP.

Sale and Investment Opportunities

6. Opportunity to Submit a Bid. Qualified Phase I Bidders will have the opportunity to submit a bid to purchase some or all of the Property (a “**Sale Proposal**”) or for an investment in the Businesses or any part thereof through a Plan sponsorship (a “**Plan Sponsorship Proposal**”). Sale Proposals and Plan Sponsorship Proposals may be in respect of only a part or parts of the Property or Businesses, and any such proposal will not be precluded from consideration as an acceptable LOI, Qualified Bid or Successful Bid.

“As is, Where Is”

7. “As is, Where is” Basis. Any Sale Proposal or Plan Sponsorship Proposal shall be made on an “as is, where is” basis, without surviving representations or warranties of any kind or nature.
8. No Representations or Warranties. The Companies, the Sale Advisor and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder, Qualified Phase I Bidder, Qualified Bidder, Auction Bidder or Successful Bidder in connection with the Property, the Companies or the Businesses. The Companies and their advisors (including the Sale Advisor) and the Monitor do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder, Qualified Phase I Bidder, Qualified Bidder, Auction Bidder or Successful Bidder, including any information contained in the Teaser Letter, Summary of Businesses or Data Room.

Free of Any and All Claims and Interests

9. Free and Clear. In the event of a Sale Proposal for any or all of the Property, all of the ~~CCAA Parties~~ Companies’ right, title and interest in and to the Property may be acquired pursuant to an approval and vesting order of the Court, free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interest thereon, except to

the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder. ~~With respect to the Non-CCAA Parties' right, title or interest in the Property, a vesting order may not be available.~~

Solicitation of Interest

10. **Solicitation Materials.** The Companies, with the assistance of the Sale Advisor, and in consultation with the Monitor, have or will:
 - (a) compile a listing (the “**Contact List**”) of prospective purchasers and investors (collectively, “**Prospective Bidders**”), which list will include parties who in the Companies’ reasonable business judgment may be interested in acquiring the Property or making an investment in the Businesses or any part thereof;
 - (b) prepare the Summary of Businesses;
 - (c) determine the appropriate advertising to be directed at Prospective Bidders, which may include newspaper, trade publication, internet or other advertising directed at Prospective Bidders;
 - (d) send to each Prospective Bidder a solicitation letter summarizing the acquisition and investment opportunity with respect to the Property and the Businesses (the “**Teaser Letter**”);
 - (e) send to each Prospective Bidder upon request a form of Confidentiality Agreement. The Prospective Bidders will be required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement, which is in form and substance acceptable to the Companies, shall have access to the Summary of Businesses, Data Room and other confidential information and management presentations, if available; and
 - (f) send to each Prospective Bidder who executes a Confidentiality Agreement a copy of this SISF and/or the Process Letter.

11. **Restrictions on Access to Confidential Information.** The Companies reserve the right to

limit any Prospective Bidder's or Qualified Phase I Bidder's access to any confidential information (including any information in the Data Room) and to customers and suppliers of the Companies, where, in the Companies' discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, or the value of the Property. Requests for additional information are to be made to the Sale Advisor.

Submission of Non-Binding Letters of Intent & Other Participation Requirements

12. **LOI Deadline.** Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Phase I Bidder, a Prospective Bidder must deliver to the Sale Advisor, with a copy to the Monitor (in each case, at the addresses set out in the Process Letter), so as to be received by the Sale Advisor not later than 5:00 p.m. (Montréal time) on Tuesday, May 19, 2015 or such later date and/or time as the applicable Companies in respect of one or more Businesses may, in consultation with the Monitor, determine appropriate or as the Court may order (the "**LOI Deadline**"), the following:
- (a) an executed Confidentiality Agreement;
 - (b) a non-binding letter of intent (a "**LOI**") which specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or Plan Sponsorship Proposal, and which complies with the requirements of paragraph 13 or 14 below, as applicable;
 - (c) to the extent not provided in the LOI, a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and the contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Prospective Bidder and its principals; and
 - (d) to the extent not provided in the LOI or the Confidentiality Agreement, a written acknowledgement of receipt of a copy of the SISP Approval Order

(including the SISP) and agreeing to accept and be bound by the provisions contained therein or herein.

13. Requirements for LOIs (Sale Proposal). An LOI in respect of a Sale Proposal must include:

- (a) a detailed listing and description of the Property to be included in the Sale Proposal and a detailed listing of the Property to be excluded from the Sale Proposal;
- (b) the low and high range of the proposed purchase price for such Sale Proposal, the proposed allocation of purchase price among the applicable Property and an explanation of what contingencies and variables may influence where in the range the final purchase price will fall;
- (c) details as to the form of consideration for the Sale Proposal;
- (d) an acknowledgment that the Sale Proposal will be made on an “as is, where is” basis;
- (e) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder’s proposed treatment of any related “cure costs”;
- (f) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder’s estimated value of such assumed liabilities;
- (g) a detailed description of any remaining due diligence required by the Prospective Bidder to be completed before making a Qualified Bid and an estimated timeline for the completion of such due diligence (including with respect to any specific technical diligence matters relating to mines or mining rights owned by the applicable Companies or any environmental due diligence);
- (h) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

- (i) all material conditions to closing that the Prospective Bidder may wish to impose;
- (j) the proposed target closing date and a timeline to closing with critical milestones;
- (k) an indication as to whether the Prospective Bidder is intending to effect the Sale Proposal through a special purpose vehicle;
- (l) any other terms and conditions which the Prospective Bidder believes are material to the transaction; and
- (m) such other information reasonably requested by any Company.

14. Requirements for LOIs (Plan Sponsorship Proposal). An LOI in respect of a Plan Sponsorship Proposal must include:

- (a) a description of the structure of Plan sponsorship transaction, including which Companies will be the target of such transaction;
- (b) a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies;
- (c) the proposed treatment of stakeholders of the applicable Companies, including lenders, trade creditors and shareholders;
- (a) the structure and financing of the transaction, including a sources and uses analysis;
- (b) an acknowledgment that the Plan Sponsorship Proposal will be made on an “as is, where is” basis;
- (c) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder’s estimated value of such assumed liabilities;
- (d) a detailed description of any remaining due diligence required by the Prospective Bidder to be completed before making a Qualified Bid and

estimated timeline for the completion of such due diligence (including with respect to any specific technical diligence matters relating to mines or mining rights owned by the applicable Companies or any environmental due diligence);

- (e) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
- (f) all material conditions to closing that the Prospective Bidder may wish to impose;
- (g) the proposed target closing date and a timeline to closing with critical milestones;
- (h) an indication as to whether the Prospective Bidder is intending to effect the Plan Sponsorship Proposal through a special purpose vehicle;
- (i) any other terms and conditions which the Prospective Bidder believes are material to the transaction; and
- (j) such other information reasonably requested by any Company.

15. Clarifications, Extensions and Waivers of LOIs. For greater certainty, the Companies shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI or with respect to any of the other requirements of paragraphs 12, 13 or 14 above, and the applicable Companies, in consultation with the Monitor, may accept a revised, clarified LOI, provided that the initial LOI was received prior to the LOI Deadline. The applicable Companies may grant extensions to the LOI Deadline with respect to any Business upon consultation with the Monitor, and the applicable Companies shall comply with any other extensions of the LOI Deadline as may be ordered by the Court. The Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraphs 12, 13 and 14 and deem any non-compliant LOI to be a qualifying LOI.

Review of LOIs

16. **Sale Proposal LOI Criteria.** Promptly following the LOI Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the LOIs and other materials submitted by Prospective Bidders in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following (the “**Sale Proposal LOI Criteria**”):
- (a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Prospective Bidder) provided by such LOI and the proposed allocation of the purchase price among the applicable Property;
 - (b) the evidence of the financial ability of the Prospective Bidder to consummate the Sale Proposal;
 - (c) the claims, if any, likely to be created against the applicable Companies by the transaction contemplated by the LOI, relative to alternatives available to such Companies;
 - (d) the nature and amount of debt and other liabilities to be assumed by the Prospective Bidder;
 - (e) the counterparties to the Sale Proposal including the applicable Companies;
 - (f) the assets included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all, or substantially all, of the applicable Companies’ Property;
 - (g) any transition services required from the Companies post-closing and any related costs;
 - (h) the planned treatment of stakeholders, including lenders, trade creditors and shareholders; and
 - (i) other factors affecting the speed, certainty and value of the Sale Proposal (including any remaining due diligence, regulatory approvals and other conditions required to close the Sale Proposal), including whether the Sale Proposal is

reasonably likely to close on or before the target closing date indicated by the Prospective Bidder in its LOI.

17. Plan Sponsorship Proposal LOI Criteria. Promptly following the LOI Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the LOIs and other materials submitted by Prospective Bidders in respect of a Plan Sponsorship Proposal, and in making such assessment will consider, among other things, the following (the “**Plan Sponsorship Proposal LOI Criteria**”):
- (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies, and the planned treatment of such persons under the Plan Sponsorship Proposal;
 - (b) the counterparties to the Plan Sponsorship Proposal;
 - (c) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of the Plan; and
 - (d) other factors affecting the speed, certainty and value of the Plan Sponsorship Proposal (including any remaining due diligence, regulatory approvals and other conditions required to close the Plan Sponsorship Proposal), including whether the Plan Sponsorship Proposal is reasonably likely to close on or before the target closing date indicated by the Prospective Bidder in its LOI.

Identification of Qualified Phase I Bidders

18. Determination of Qualified Phase I Bidders. The Companies, in consultation with the Sale Advisor and the Monitor, shall apply the Sale Proposal LOI Criteria and the Plan Sponsorship Proposal LOI Criteria, as applicable, and consider each LOI and the other materials submitted by a Prospective Bidder pursuant to paragraph 12 and determine whether it will be in the best interests of the applicable Companies to permit the Prospective Bidder to continue to participate in the SISP based upon the terms set out in the applicable LOI (any such Prospective Bidder, a “**Qualified Phase I Bidder**”). The determination by the applicable Companies as to whether a Prospective Bidder is a Qualified Phase I Bidder will be made as promptly as practicable after such Prospective

Bidder has satisfied the requirements described in paragraph 12 (subject to any waiver thereof under paragraph 15), and any clarification that may be sought by the applicable Companies pursuant to paragraph 15. For greater certainty, an LOI may be in respect of only a part or parts of the Property or Businesses.

19. Notification of Qualified Phase I Bidders. If it is determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, that a Prospective Bidder is a Qualified Phase I Bidder, the Sale Advisor will promptly notify the Prospective Bidder of such determination, and such Qualified Phase I Bidder will thereafter be provided an opportunity to complete due diligence and submit a binding offer in respect of such Sale Proposal or Plan Sponsorship Proposal. No LOIs will be considered pursuant to the SISP after the LOI Deadline. Prospective Bidders not identified as Qualified Phase I Bidders by the applicable Companies will no longer be able to participate in the SISP or continue to have access to any confidential information in connection therewith.

20. Advice and Directions if no Suitable LOI. If at any point before or after the LOI Deadline any of the ~~CCAA Parties~~ Companies determine, in consultation with the Sale Advisor and the Monitor, that there are or will be no Qualified Phase I Bidders with respect to a particular Business, or that it will not be in the best interests of all or any ~~CCAA Parties~~ Companies to continue with the SISP with respect to all or any of the Businesses, the applicable ~~CCAA Parties~~ Companies shall as soon as reasonably practicable file a motion with the Court on notice to the Service List for advice and directions with respect to the modification, suspension or termination of the SISP in respect of such Business or Businesses. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~

21. Stalking Horse. Notwithstanding the process and deadlines outlined above with respect to LOIs, the Companies, in consultation with the Sale Advisor and the Monitor, may at any time prior to the applicable Bid Deadline bring a motion to seek approval of a stalking horse purchase agreement in respect of some or all of the Property and related amendments to the SISP, including with respect to an extension to the applicable Bid Deadline. If any stalking horse purchase agreement is approved by the Court, the Company or the Sale Advisor will provide written notice of same, including any related amendments to the SISP, to all Qualified Phase I Bidders and such information will be

posted on the Monitor's Website.

Submissions of Binding Qualified Bids

22. **Bid Deadline.** All binding offers for a Sale Proposal or Plan Sponsorship Proposal must be submitted in writing by a Qualified Phase I Bidder to the Sale Advisor, with a copy to the Monitor (in each case, at the address set out in the Process Letter) by the date or dates (the "**Bid Deadline**") which will be determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, or as may be fixed by the Court, in respect of the Businesses. Once determined or fixed by the Court, as applicable, the Company or the Sale Advisor will provide written notice of the Bid Deadline(s) to all Qualified Phase I Bidders and notice of the Bid Deadline(s) will be posted on the Monitor's Website.

Requirements for Qualified Bid

23. **Requirements for Qualified Bids (Sale Proposal).** A Sale Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Qualified Phase I Bidder on or before the applicable Bid Deadline, and (ii) the Sale Proposal complies with the following requirements:
- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Phase I Bidder's direct and indirect owners and their principals, and the complete terms of such participation;
 - (b) it contains evidence of authorization and approval from the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
 - (c) it includes a letter confirming that the Sale Proposal is a binding offer capable of acceptance by the applicable Companies, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after

the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to the Sale Proposal;

- (d) it includes (A) a duly authorized and executed purchase agreement based on the Form of APA; (B) all exhibits and schedules thereto, including a detailed description of the Property to be included and excluded from the proposed transaction and an allocation of the purchase price among the applicable Property, and such ancillary agreements as may be required by the Qualified Phase I Bidder with all exhibits and schedules thereto; and (C) a mark-up of the Form of APA showing all amendments and modifications made thereto;
- (e) it includes a cash deposit in an amount equal to five percent (5%) of the cash purchase price contemplated therein, payable by wire transfer of immediately available funds (to a bank account specified by the Monitor) payable to the order of the Monitor, in trust, which will be dealt with in accordance with paragraphs 40 to 43, or such other form of deposit or amount as is acceptable to the applicable Companies and the Monitor (each, a “**Deposit**”);
- (f) it includes an acknowledgement and representation that the Qualified Phase I Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the applicable Property; (ii) has not relied upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the applicable Property or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the applicable Property, and (B) the nature and condition (environmental, financial and otherwise) of the applicable Property, Companies or Businesses; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to the applicable Property and Businesses, has been provided the opportunity to conduct any and all due diligence it deemed appropriate and is relying on its own due diligence and expertise and that of its own consultants, accountants, and legal and tax advisors in making

its Qualified Bid;

- (g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the applicable Companies to make a reasonable determination as to the Qualified Phase I Bidder's (and its direct and indirect owners') financial and other capabilities to consummate the transaction contemplated by the Sale Proposal; if the Qualified Phase I Bidder is an entity newly formed for the purpose of the transaction, or if the Qualified Phase I Bidder intends to complete the sale transaction through a special purpose vehicle, (A) the direct and indirect equity holders or sponsors of such newly formed entity or special purpose vehicle must guarantee the special purpose vehicle's obligations under all definitive transaction documents, and (B) the Sale Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the applicable Companies and names the applicable Companies as third party beneficiaries of any such commitment letter with recourse against such parent entity or sponsor;
- (h) it shall not be conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Qualified Phase I Bidder;
 - (ii) obtaining any financing; or
 - (iii) approval of the Qualified Bid by the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;
- (i) it includes the anticipated time frame and any anticipated impediments for obtaining any regulatory or other approvals indicated in the executed purchase agreement as conditions to closing;

- (j) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the applicable Target Closing Date;
- (k) it does not request or entitle the Qualified Phase I Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
- (l) it contains such other information reasonably requested by any Company.

24. Requirements for Qualified Bids (Plan Sponsorship Proposal). A Plan Sponsorship Proposal will be considered a “**Qualified Bid**” only if (i) it is submitted by a Qualified Phase I Bidder on or before the applicable Bid Deadline, and (ii) the Plan Sponsorship Proposal complies with the following requirements:

- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Phase I Bidder’s direct and indirect owners and their principals, and the complete terms of such participation;
- (b) it contains evidence of authorization and approval from the Qualified Phase I Bidder’s board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the transaction contemplated by the Plan Sponsorship Proposal;
- (c) it includes a letter confirming that the Plan Sponsorship Proposal is a binding offer capable of acceptance by the applicable Companies, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to the Plan Sponsorship Proposal;
- (d) it includes a reasonably detailed description of the manner in which the investment is to be made, including the allocation of such investment between the applicable Companies or Businesses;

- (e) it includes (A) a duly authorized and executed investment agreement based on the Form of PSA (if one has been provided by the applicable Companies); (B) all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Phase I Bidder with all exhibits and schedules thereto; and (C) a mark-up of the Form of PSA (if one has been provided by the applicable Companies) showing all amendments and modifications made thereto;
- (f) it includes a cash deposit in an amount equal to five percent (5%) of the amount of consideration to be available for distribution to creditors of the applicable Companies under the Plan Sponsorship Proposal, payable by wire transfer of immediately available funds (to a bank account specified by the Monitor) payable to the order of the Monitor, in trust, which will be dealt with in accordance with paragraphs 40 to 43, or such other form of deposit or amount acceptable to the applicable Companies and the Monitor (each, a **“Deposit”**);
- (g) it includes an acknowledgement and representation that the Qualified Phase I Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the applicable Property; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the applicable Property or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the applicable Property, and (B) the nature and condition (environmental, financial and otherwise) of the applicable Property, Companies and Businesses; and (iii) is a knowledgeable, experienced and sophisticated investor with respect to the applicable Property and Businesses, has been provided the opportunity to conduct any and all due diligence it deemed appropriate and is relying on its own due diligence and expertise and that of its own consultants, accountants, and legal and tax advisors in making its Qualified Bid;

- (h) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the investment transaction, that will allow the applicable Companies to make a reasonable determination as to the Qualified Phase I Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the transaction contemplated by the Plan Sponsorship Proposal;
- (i) if the Qualified Phase I Bidder is an entity newly formed for the purpose of the investment transaction, or if the Qualified Phase I Bidder intends to complete the investment transaction through a special purpose vehicle, (A) the direct and indirect equity holders or sponsors of such newly formed entity or special purpose vehicle must guarantee the special purpose vehicle's obligations under all definitive transaction documents, and (B) the Plan Sponsorship Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the applicable Companies and that names the applicable Companies as third party beneficiaries of any such commitment letter with recourse against such parent entity or sponsor;
- (j) it shall not be conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Qualified Phase I Bidder;
 - (ii) obtaining any financing; or
 - (iii) approval of the Qualified Bid by the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;
- (k) it includes the anticipated time frame and any anticipated impediments for obtaining any regulatory or other approvals;
- (l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the applicable Target Closing Date;

- (m) it does not request or entitle the Qualified Phase I Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
- (n) it contains such other information reasonably requested by any Company.

25. Qualified Portion Bids. For greater certainty, Sale Proposals and Plan Sponsorship Proposals may be in respect of only a part or parts of the Property or Businesses and such proposal shall constitute a “**Qualified Portion Bid**” if it satisfies the requirements in paragraph 23 or 24 hereof, as applicable, in respect of the Property or Business subject to such proposal, and in such case, such bidder shall constitute a “**Qualified Portion Bidder**”. Each Qualified Portion Bid shall be deemed to be a Qualified Bid, and each Qualified Portion Bidder shall be deemed to be a Qualified Bidder, for all purposes of the SISF.

Assessment of Qualified Bids

26. Review of Qualified Bids (Sale Proposal). Promptly following the Bid Deadline, the Companies, in consultation with the Sale Advisor and Monitor, will review and assess the Qualified Bids in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following (the “**Sale Proposal Bid Criteria**”):
- (a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Qualified Phase I Bidder) provided by such Qualified Bid and the proposed allocation of the purchase price among the applicable Property;
 - (b) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the Sale Proposal;
 - (c) the claims, if any, likely to be created against the applicable Companies by the transaction contemplated by the Sale Proposal, relative to alternatives available to such Companies;
 - (d) the nature and amount of debt and other liabilities to be assumed or acquired by the Qualified Phase I Bidder;

- (e) the counterparties to the Sale Transaction including the applicable Companies;
- (f) the proposed revisions to the Form of APA and the terms of the proposed sale transaction documents;
- (g) the assets included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the applicable Companies' Property or Businesses;
- (h) any transition services required from the applicable Companies post-closing and any related restructuring costs;
- (i) the planned treatment of stakeholders, including lenders, trade creditors and shareholders; and
- (j) other factors affecting the speed, certainty and value of the Sale Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable Target Closing Date), including the likelihood of closing the Sale Proposal on or before the applicable Target Closing Date.

27. Review of Qualified Bids (Plan Sponsorship Proposal). Promptly following the Bid Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the Qualified Bids in respect of a Plan Sponsorship Proposal, and in making such assessment will consider, among other things, the following (the "**Plan Sponsorship Proposal Bid Criteria**"):

- (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies and the planned treatment of such persons under the proposed Plan Sponsorship Proposal;
- (b) the firm, irrevocable commitment for financing the investment or other evidence of ability to consummate the Plan Sponsorship Proposal;
- (c) the counterparties to the proposed Plan Sponsorship Proposal;

- (d) the proposed revisions to the Form of PSA, if applicable, and the terms of the proposed investment transaction documents;
 - (e) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of the Plan; and
 - (f) other factors affecting the speed, certainty and value of the Plan Sponsorship Proposal (including any regulatory approvals and other conditions required to close the Plan Sponsorship Proposal, including whether the Plan Sponsorship Proposal is reasonably likely to close on or before the applicable Target Closing Date.
28. Clarifications, Extensions and Waivers of Qualified Bids. For greater certainty, the Companies shall be entitled either prior to or following the applicable Bid Deadline, to seek to clarify the terms of a Qualified Bid and the applicable Companies, in consultation with the Monitor, may accept a revised, clarified Qualified Bid, provided that the initial Qualified Bid was received prior to the applicable Bid Deadline. The ~~CCAA-Parties~~Companies may grant extensions to the Bid Deadline with respect to any Business upon consultation with the Monitor, and the ~~CCAA-Parties~~Companies shall comply with any other extensions of the Bid Deadline as may be ordered by the Court. The ~~CCAA-Parties~~Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraphs 23 or 24, as applicable, and deem any non-compliant bid to be a Qualified Bid.
29. Identification of Suitable Qualified Bids. The Companies, in consultation with the Sale Advisor and Monitor shall apply the Sale Proposal Bid Criteria and Plan Sponsorship Proposal Bid Criteria, as applicable, and consider each Qualified Bid upon its submission and determine whether it will be in the best interests of the applicable Companies to pursue a transaction on the terms set out in the applicable Qualified Bid. This determination by the applicable Companies will be made as promptly as practicable after the applicable Bid Deadline, and any clarification that may be sought by the applicable Companies pursuant to paragraph 28.
30. Advice and Directions if no Suitable Qualified Bids. If at any point before or after the applicable Bid Deadline any of the ~~CCAA-Parties~~Companies determine, in consultation

with the Sale Advisor and the Monitor, that there are or will be no Qualified Bids with respect to a particular Business, or that it is appropriate to reject all Qualified Bids received because none are in the best interests of the applicable ~~CCAA-Parties~~Companies, or that it will not be in the best interests of all or any ~~CCAA-Parties~~Companies to continue with the SISP with respect to any of the Businesses, the applicable ~~CCAA-Parties~~Companies shall as soon as reasonably practicable file a motion with the Court on notice to the Service List to seek advice and directions with respect to the modification, suspension or termination of the SISP. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~

31. Next Steps if only one Suitable Qualified Bid. If, after consultation with the Sale Advisor and Monitor, the applicable Companies determine that only one Qualified Bid was received with respect to a Business that is in the best interests of the applicable Companies (or only one combination of non-overlapping Qualified Portion Bids was received that is in the best interests of the applicable Companies), the applicable Companies may choose to accept such Qualified Bid (in which case, such Qualified Bid shall be a “**Successful Bid**” and the Qualified Phase I Bidder making the Successful Bid shall be a “**Successful Bidder**”) and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the applicable Companies may accept a combination of non-overlapping Qualified Portion Bids (collectively, an “**Aggregated Bid**”) to create one “Successful Bid” and in such case, the applicable Qualified Portion Bidders will become “Successful Bidders”.
32. Next Steps if more than one Suitable Qualified Bid. If, after consultation with the Sale Advisor and Monitor, the applicable Companies determine that more than one Qualified Bid (and/or more than one Aggregated Bid) was received with respect to one or more Businesses or a part thereof that is in the best interests of the applicable Companies, then the applicable Companies shall conduct one or more auctions (the “**Auction**” or, if more than one, the “**Auctions**”) relating to one or more of the Businesses or any part thereof, as the Companies, in consultation with the Sale Advisor and the Monitor, consider appropriate, to determine the highest and/or best Sale Proposal or Plan Sponsorship Proposal or Aggregated Bid for one or more of the Businesses or any part thereof. In the event that an Auction or Auctions will be held, all Qualified Phase I Bidders (including

Qualified Portion Bidders) who submitted a Qualified Bid that the applicable Companies determine, in consultation with the Sale Advisor and the Monitor, entitles such Qualified Phase I Bidder to participate in the Auction (each, an “**Auction Bidder**”) will be promptly advised by the Sale Advisor of such determination. A Qualified Phase I Bidder not identified as an Auction Bidder will no longer be able to participate in the SISP or any Auction.

33. Discretion of the Companies. The Companies, upon consultation with the Sale Advisor and Monitor, may at any time (including prior to or during an Auction), (a) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the CCAA, the SISP or any orders of the Court applicable to the ~~CCAA Parties~~Companies, or (iii) contrary to the best interests of the applicable Companies; (b) in accordance with the terms hereof, accept bids not in conformity with the SISP to the extent that the applicable Companies determine, in their reasonable business judgment after consultation with the Sale Advisor and Monitor, that doing so would benefit the applicable Companies; (c) in accordance with the terms hereof, extend the LOI Deadline and/or Bid Deadlines, and/or change the date of an Auction; and/or (d) reject all bids. For greater certainty, the Companies shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the Companies after consultation with the Sale Advisor and Monitor.

Auction

34. Place and Time. If the Auction or Auctions are to be conducted pursuant to paragraph 32, the Auction or Auctions with respect to one or more Businesses or any part thereof shall commence on a date and time to be determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, or as fixed by the Court. All Auctions shall be conducted at the offices of Blake, Cassels & Graydon LLP located at 600 de Maisonneuve Boulevard West, Suite 200, Montreal, Québec, Canada or such other location(s) as the applicable Companies may determine. Notice of the place, date and time of the Auction(s) will be delivered to all Auction Bidders by the Sale Advisor not less than three (3) Business Days before the date of the Auction.

35. Procedures for the Auction. If there is an Auction or Auctions, each Auction shall be conducted according to the following procedures:
- (a) Notice of Participation. At least one (1) Business Day prior to the Auction, each Auction Bidder who has been notified by the Sale Advisor or the Companies that it has qualified as an Auction Bidder must inform the Companies whether it intends to attend the Auction; provided that in the event an Auction Bidder elects not to attend the Auction, such Auction Bidder's Qualified Bid shall remain binding, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to such Auction Bidder's bid;
 - (b) Participation at the Auction. The applicable Companies and their advisors (including the Sale Advisor), in consultation with the Monitor, shall direct and preside over the Auction or Auctions, as applicable. Only Auction Bidders are eligible to participate in an Auction, and then only in the Auction in respect of the Business or Businesses or any part thereof that is subject to their Qualified Bid or Overbid, as applicable. Only the authorized representatives (including legal counsel and other advisors) of each of the Auction Bidders, the applicable Companies, the Sale Advisor and the Monitor shall be permitted to attend an Auction.
 - (c) Anti-Collusion. Each Auction Bidder shall be required to confirm that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Sale Proposal or Plan Sponsorship Proposal, and if such Auction Bidder is a special purpose vehicle, each of the direct or indirect equity holders of such Auction Bidder shall be required to confirm that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Sale Proposal or Plan Sponsorship Proposal, such confirmation, in each case, in form and substance satisfactory to the Companies in their sole discretion.
 - (d) Rounds. Bidding at an Auction shall be conducted in rounds. In each round, an Auction Bidder may submit no more than one Overbid. If at the end of any

round of bidding, an Auction Bidder (other than the Auction Bidder who submitted the Opening Bid for such round and any Qualified Portion Bidder who is an Auction Bidder) did not submit an Overbid, then such Auction Bidder shall be barred from participating in any further round of bidding at the Auction. Any Auction Bidder who submits an Overbid in a round, as well as the Auction Bidder who submitted the Opening Bid for such round and any Qualified Portion Bidder who is an Auction Bidder, shall be entitled to participate in the next round of bidding at the Auction.

- (e) Determination of Opening Bids. The applicable Companies, in consultation with the Sale Advisor and Monitor, shall apply the Sale Proposal Bid Criteria and Plan Sponsorship Proposal Bid Criteria, as applicable, to determine which Qualified Bid is the highest and/or best bid received by the applicable Bid Deadline, which shall constitute the “**Opening Bid**” for the first round of an Auction. The applicable Companies shall follow the same process to determine the highest and/or best Overbid submitted in each round of an Auction, which shall constitute the “**Opening Bid**” for the following round. For greater certainty, an Aggregated Bid may be determined to be the “Opening Bid” for any round. As soon as practicable prior to the start of the Auction, the applicable Companies shall distribute a copy of the Opening Bid for the first round to all Auction Bidders eligible to participate in the applicable Auction.
- (f) Overbids. All bids made at an Auction shall be Overbids and shall be made and received on an open, non-confidential basis and the identity of each Auction Bidder and all material terms of each Overbid shall be fully disclosed to all other Auction Bidders participating in the applicable round of the applicable Auction. The Sale Advisor shall maintain a transcript of the Opening Bids and all Overbids made and announced at an Auction.
- (g) Requirements for Overbids. A Sale Proposal or Plan Sponsorship Proposal submitted at an Auction will be considered an “**Overbid**” only if it complies with the following requirements:

- (i) *Minimum Consideration.* Subject to paragraph 35(l) below in respect of Qualified Portion Bids, the amount of the purchase price (in the case of a Sale Proposal), or the amount of the consideration to be allocated to secured creditors, unsecured creditors and shareholders of the applicable Companies (in the case of a Plan Sponsorship Proposal) shall not be less than the purchase price or consideration of the Opening Bid of the applicable round of such Auction, plus an amount (the “**Minimum Overbid Increment**”) to be set by the applicable Companies, in consultation with the Sale Advisor and Monitor; and
- (ii) *Qualified Bid Criteria.* Except as modified herein, an Overbid shall comply with all requirements for a Qualified Bid as set forth in paragraph 23 in the case of Sale Proposals, or paragraph 24 in the case of Plan Sponsorship Proposals, (in each case including in respect of its binding and irrevocable nature, and being open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses); provided, however, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits during the Auction.
- (h) Determination and Announcing Highest Overbids. At the end of each round of bidding, the applicable Companies, in consultation with the Sale Advisor and Monitor, shall (i) review each Overbid made in such round, (ii) identify the highest and/or best such Overbid in accordance with paragraph 35(e), and (iii) announce to all Auction Bidders entitled to participate in the next round of bidding the terms of the highest and/or best Overbid and the identity of the Auction Bidder who submitted such Overbid. Such highest and/or best Overbid shall be the Opening Bid for the next round of such Auction.
- (i) Adjournments. The Companies reserve the right, in their reasonable business judgment, and after consultation with the Sale Advisor and Monitor, to make one or more adjournments in an Auction to, among other things: (i) facilitate discussions between the applicable Companies and individual Auction Bidders; (ii) allow individual Auction Bidders to consider how they wish to proceed;

(iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (iv) give Auction Bidders the opportunity to provide the applicable Companies with such additional evidence as they may require, in their reasonable business judgment and in consultation with the Sale Advisor and Monitor, to show that the Auction Bidder's bid complies with the requirements of an Overbid (including in respect of the required internal corporate or credit committee approvals and evidence of sufficient funding commitments or other financial capability to consummate the proposed transaction).

- (j) Closing the Auction. If, in any round of bidding, no new Overbid is made, such Auction shall be closed and the applicable Companies shall, in consultation with the Sale Advisor and Monitor, declare the last Opening Bid as a “**Successful Bid**” and the Auction Bidder submitting such Successful Bid a “**Successful Bidder**” and advise such Successful Bidder of such determination and all other applicable Auction Bidders that they are not a Successful Bidder. For greater certainty, the selection of a Successful Bid and a Successful Bidder shall not be deemed a rejection of any other Overbid or Qualified Bid and each Overbid and Qualified Bid shall remain binding, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses.
- (k) Successful Bidder's Deposit. To the extent not already provided, the Successful Bidder shall, within two (2) Business Days of the conclusion of the Auction, provide the Monitor with an additional Deposit to increase its original Deposit to equal five percent (5%) of the total cash purchase price or investment contemplated by the Successful Bid.
- (l) Portion Bids. Each Qualified Portion Bidder that is an Auction Bidder shall be entitled to submit Overbids at the applicable Auction (in a minimum increment to be determined by the Companies) with respect to the portion of the Property or Businesses it is bidding on, and is not individually subject to the full Minimum Overbid Increment; provided that one or more Qualified Portion

Bids forming an Aggregated Bid in any round of the Auction shall collectively be subject to the full Minimum Overbid Increment. For greater certainty, the Companies may accept an Aggregated Bid as a “Successful Bid” and in such case, the applicable Auction Bidders will become “Successful Bidders”.

- (m) Clarifications of Overbids and Waivers. For greater certainty, the Companies shall be entitled during an Auction, to discuss and clarify the terms of all Overbids and accept a revised, clarified Overbid, provided it is submitted before the end of the applicable round of bidding. The Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraph 35(g), and deem any non-compliant Overbid to be a qualifying Overbid.
- (n) Additional Procedures. The Companies may, with the assistance of their advisors (including the Sale Advisor) and in consultation with the Monitor, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the SISP or the SISP Approval Order; provided that no such rules may change the requirement that all Overbids shall be made and received on an open, non-confidential basis, and all Auction Bidders entitled to participate in a further round of bidding shall be entitled to be present for all such bidding.

Approval Motion

- 36. Application to Court. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISP, if such Successful Bid relates to the Property or Business of one or more ~~CCAA Parties~~Companies, the ~~CCAA Parties~~Companies shall apply to the Court as soon as reasonably practicable for an order approving such Successful Bid and authorizing the ~~CCAA Parties~~Companies to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA, as applicable (an “Approval Motion”).

37. Scheduling of Approval Motion. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The ~~CCAA-Parties~~Companies reserve their right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge the ten (10) day notice period provided for in the Bloom Lake Initial Order and the Wabush Initial Order. An Approval Motion may be adjourned or rescheduled by the ~~CCAA-Parties~~Companies by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
38. Deemed Rejection. All Qualified Bids and Overbids (other than the Successful Bid(s)) will be deemed rejected at 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses.
39. Statutory Approvals. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Treatment of Deposit

40. Investment of Deposit. All Deposits will be invested by the Monitor in an interest bearing trust account.
41. Application of Deposit. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court in respect of the ~~CCAA-Parties~~Companies or is approved by the applicable Companies that are not ~~CCAA-Parties~~Companies, will be released by the Monitor to the applicable Companies and applied to the purchase price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
42. Return of Deposits. The Deposits (plus applicable interest) of Qualified Phase I Bidders not selected as a Successful Bidder with respect to a particular Business, or not otherwise required by the Companies to complete the transaction contemplated by their Qualified Bid or Overbid, will be returned to such Qualified Phase I Bidders within ten (10)

Business Days of the date of closing of the Successful Bid. If there is no Successful Bid with respect to a Business, subject to the following paragraph 43, all Deposits (plus applicable interest) with respect to such Business will be returned to all Qualified Phase I Bidders with respect to that Business, within ten (10) Business Days of the date on which the SISP with respect to that Business is terminated in accordance with the SISP.

43. Forfeit of Deposit. If (i) a Successful Bidder breaches any of its obligations under the terms of the SISP or any definitive transaction documentation, or (ii) a Qualified Phase I Bidder fails to complete the transaction contemplated by its Qualified Bid or Overbid if required by any of the Companies to complete such transaction, then, in each case, such bidder's Deposit will be forfeited to the applicable Companies as liquidated damages and not as a penalty. The ~~CCAA Parties~~Companies shall apply and use their share of any forfeited Deposit in a manner agreed upon by the ~~CCAA Parties~~Companies and the Monitor.

Reservation of Rights and Conduct of the SISP

44. No Binding Agreement. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between any of the Companies and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the applicable Companies.
45. Extension of Time Limits. The Companies may from time to time extend any of the time limits set out in the SISP, as the Companies determine appropriate, after consultation with the Monitor.

No Amendment

46. Amendments to SISP. There will be no amendments to the SISP without the approval of the Court on notice to the Service List, subject to such non-material amendments as may be agreed to by the Companies, including the ~~CCAA Parties~~Companies, and the Monitor.
47. Advice and Directions Generally. The ~~CCAA Parties~~Companies and the Monitor may seek advice and directions from the Court on notice to the Service List with respect to the conduct or any aspect of the SISP.

48. Consent to Jurisdiction of the Court. Each Qualified Phase I Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.

APPENDIX “A”
DEFINED TERMS

The following capitalized terms shall have the following meanings when used in the SISP:

- (a) “**Aggregated Bid**” shall have the meaning given to it in paragraph 31;
- (b) “**Approval Motion**” shall have the meaning given to it in paragraph 36;
- (c) “**Auction**” and “**Auctions**” shall have the meaning given to it in paragraph 32;
- (d) “**Auction Bidder**” shall have the meaning given to it in paragraph 32;
- (e) “**Bid Deadline**” shall have the meaning given to it in paragraph 22;
- (f) “**Bloom Lake Business**” means the business relating to the Bloom Lake Mine located in Fermont, Québec, the related port assets located in Pointe-Noire, Québec and the rail assets located in Newfoundland & Labrador;
- (g) “**Bloom Lake CCAA Parties**” shall have the meaning given to it in Recital A
- (h) “**Bloom Lake Initial Order**” shall have the meaning given to it in Recital A;
- (i) ~~(g)~~ “**Business Day**” shall mean any day other than (i) a Saturday or Sunday, or (ii) a day which is a statutory holiday in Montréal, Québec;
- (j) ~~(h)~~ “**Businesses**” shall have the meaning given to it in Recital F and “**Business**” shall mean any one of them;
- (k) ~~(i)~~ “**CCAA**” shall have the meaning given to it in Recital A;
- ~~(j)~~ “**CCAA Parties**” shall have the meaning given to it in Recital B;
- ~~(l)~~ ~~(k)~~ “**CCAA Proceedings**” ~~means the CCAA Parties’ proceedings under the CCAA-~~
~~commenced by the Initial Order, under Court file no. 500-11-048114-157~~has the meaning
given to it in Recital A;

- (m) ~~(+)~~ “**Chromite Business**” shall mean the property, assets and undertaking of the Companies related to the chromite mineral claims and “Ring of Fire” projects and the related business of the Companies and certain of their subsidiaries located in Ontario (including Cliffs Chromite Ontario Inc. and Cliffs Chromite Far North Inc.) and certain of their affiliates (including subsidiaries of Cliffs Netherlands B.V. and Cliffs Greene B.V.);
- (n) ~~(+)~~ “**Companies**” shall have the meaning given to it in Recital ~~EB~~ and each shall be a “**Company**”;
- (o) ~~(+)~~ “**Confidentiality Agreement**” shall have the meaning given to it in paragraph 5(c);
- (p) ~~(+)~~ “**Contact List**” shall have the meaning given to it in paragraph 10(a);
- (q) ~~(+)~~ “**Court**” shall have the meaning given to it in Recital A;
- (r) ~~(+)~~ “**Data Room**” shall have the meaning given to it in paragraph 5(d);
- (s) ~~(+)~~ “**Deposit**” shall have the meaning given to it in paragraph 23(e) or 24(f), as applicable;
- (t) ~~(+)~~ “**Form of APA**” means the form of asset purchase agreement to be provided to Qualified Phase I Bidders who submitted an LOI in respect of a Sale Proposal as part of the SISP;
- (u) ~~(+)~~ “**Form of PSA**” means the form of plan sponsorship agreement which may be provided to Qualified Phase I Bidders who submitted an LOI in respect of a Plan Sponsorship Proposal as part of the SISP;
- ~~(+)~~ “**Initial Order**” shall have the meaning given to it in Recital A;
- (v) “**LOI**” shall have the meaning given to it in paragraph 12(b);
- (w) “**LOI Deadline**” shall have the meaning given to it in paragraph 12;
- (x) “**Minimum Overbid Increment**” shall have the meaning given to it in paragraph 35(g)(i);

- (y) “**Monitor**” shall have the meaning given to it in Recital C;
- (z) “**Monitor’s Website**” means the Monitor’s website for the CCAA Proceedings located at <http://cfcanada.fticonsulting.com/bloomlake>;
- ~~(aa) “**Non-CCAA Parties**” shall have the meaning given to it in Recital E;~~
- (aa) ~~(bb)~~ “**Opening Bid**” shall have the meaning given to it in paragraph 35(e);
- (bb) ~~(ee)~~ “**Overbid**” shall have the meaning given to it in paragraph 35(g);
- ~~(dd) “**Petitioners**” shall have the meaning given to it in Recital A;~~
- (cc) ~~(ee)~~ “**Plan**” shall have the meaning given to it in Recital ~~I~~ J;
- (dd) ~~(ff)~~ “**Plan Sponsorship Proposal**” shall have the meaning given to it in paragraph 6;
- (ee) ~~(gg)~~ “**Plan Sponsorship Proposal Bid Criteria**” shall have the meaning given to it in paragraph 27;
- (ff) ~~(hh)~~ “**Plan Sponsorship Proposal LOI Criteria**” shall have the meaning given to it in paragraph 17;
- (gg) ~~(ii)~~ “**Port Business**” means the port facilities and related rail assets located in the Provinces of Newfoundland & Labrador and Québec owned by the Wabush Mines ~~Joint Venture~~;
- (hh) ~~(jj)~~ “**Process Letter**” means a letter from the Sale Advisor to Prospective Bidders outlining, among other things, the SISP process and the SISP timelines and which sets out the contact information for the Sale Advisor and the Monitor for the submission of any LOIs and Qualified Bids;
- (ii) ~~(kk)~~ “**Property**” shall have the meaning given to it in Recital ~~EE~~ F;
- (jj) ~~(H)~~ “**Prospective Bidders**” shall have the meaning given to it in paragraph 10(a), and “**Prospective Bidder**” shall mean any one of them;

- (kk) ~~(mm)~~ “**Qualified Bid**” shall have the meaning given to it in paragraph 23 or 24, as applicable, and “**Qualified Bids**” means more than one of them;
- (ll) ~~(nn)~~ “**Qualified Bidder**” shall mean a person who submits a Qualified Bid pursuant to the SISP, and for greater certainty, includes all Qualified Portion Bidders and “**Qualified Bidders**” means more than one of them;
- (mm) ~~(oo)~~ “**Qualified Phase I Bidder**” shall have the meaning given to it in paragraph 18, and “**Qualified Phase I Bidders**” means more than one of them;
- (nn) ~~(pp)~~ “**Qualified Portion Bid**” shall have the meaning given to it in paragraph 25, and “**Qualified Portion Bids**” means more than one of them;
- (oo) ~~(qq)~~ “**Qualified Portion Bidder**” shall have the meaning given to it in paragraph 25, and “**Qualified Portion Bidders**” shall mean more than one of them;
- (pp) ~~(rr)~~ “**Sale Advisor**” means Moelis & Company LLC, solely in its capacity as sale advisor to the Companies in connection with the SISP;
- (qq) ~~(ss)~~ “**Sale Proposal**” shall have the meaning given to it in paragraph 6;
- (rr) ~~(tt)~~ “**Sale Proposal Bid Criteria**” shall have the meaning given to it in paragraph 26;
- (ss) ~~(uu)~~ “**Sale Proposal LOI Criteria**” shall have the meaning given to it in paragraph 16;
- (tt) ~~(vv)~~ “**Service List**” means the service list in the CCAA Proceedings as posted on the Monitor’s Website, as it may be updated from time to time;
- (uu) ~~(ww)~~ “**SISP Approval Order**” shall have the meaning given to it in Recital D;
- (vv) ~~(xx)~~ “**SISP**” shall have the meaning given to it in Recital D;
- (ww) ~~(yy)~~ “**Successful Bid**” shall have the meaning given to it in paragraph 31 or 35(j), as applicable;

(xx) ~~(zz)~~ “**Successful Bidder**” shall have the meaning given to it in paragraph 31 or 35(j), as applicable;

(yy) ~~(aaa)~~ “**Summary of Businesses**” means a summary of the Businesses prepared by the Companies;

(zz) ~~(bbb)~~ “**Target Closing Date**” shall mean the date or dates determined by the Companies, in consultation with the Sale Advisor and the Monitor, and such later date or dates as the Companies, in consultation with the Sale Advisor and the Monitor, may determine from time to time;

(aaa) ~~(eee)~~ “**Teaser Letter**” shall have the meaning given to it in paragraph 10(d);

(bbb) “**Wabush Initial Order**” shall have the meaning given to it in Recital B;

(ccc) ~~(ddd)~~ “**Wabush Mine Business**” means the business relating to the Wabush Mine located in the Province of Newfoundland & Labrador owned by the Wabush Mines ~~Joint Venture~~; and

(ddd) ~~(eee)~~ “**Wabush Mines ~~Joint Venture~~**” means the unincorporated joint venture of Wabush Iron Co. Limited and Wabush Resources Inc.

Document comparison by Workshare Compare on Friday, May 29, 2015
11:43:44 AM

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Document 2 ID	PowerDocs://TOR_2528/22660502/20
Description	TOR_2528-#22660502-v20-SISP_for_CQIM_et_al.
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	56
Deletions	100
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	168