

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

**THIRTY-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 (“**Quinto**”), 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified 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 (as amended, restated or rectified from time to time, 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 and the Wabush Stay Period (together, the “**Stay Period**”) have been extended from time to time and currently expires on June 30, 2017.

4. On April 17, 2015, Mr. Justice Hamilton J.S.C. granted 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. The SISP was subsequently amended and restated to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings and was approved nunc pro tunc as it relates to the Wabush CCAA Parties pursuant to an Order granted June 9, 2015 (together with the April 17, 2015 Order, the “**SISP Order**”).
5. At a hearing on January 30, 2017, Mr. Justice Hamilton J.S.C. instructed the Monitor to report to the Court on a monthly basis on progress toward a transaction for the sale of the Wabush Mine including, confidentially to the Court, details with respect to the ongoing negotiations with the various parties that have expressed interest in the acquisition of the Wabush Mine.
6. To date, the Monitor has filed thirty-two reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Thirty-Third Report (this “**Report**”), is to provide information to the Court with respect to:
 - (a) The current status of the Wabush Mine Sale Procedure, as defined in the Monitor’s Thirty-Second Report; and
 - (b) By way of confidential and sealed appendices, details of the current state of affairs with each of the Interested Parties, as defined in the Monitor’s Thirty-Second Report.

TERMS OF REFERENCE

7. 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**”).
8. 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 Chartered Professional Accountants of Canada 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 Chartered Professional Accountants of Canada Handbook.
9. The Monitor has prepared this Report to provide information to the Court in respect of progress towards a transaction for the sale of the Wabush Mine as instructed by Mr. Justice Hamilton J.S.C. and should not be relied on for other purposes.
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. 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.

THE WABUSH MINE SALE PROCEDURE

12. As described in the Monitor's Thirty-Second Report, the Wabush Mine Sale Procedure provided that all Binding Offers for the Wabush Mine Assets, together with a deposit of \$750,000 and the other items set out in the Wabush Mine Sale Procedure, had to be received by the Vendors no later than 5:00 p.m. (Toronto time) on Monday, March 27, 2017 or such later date and/or time as the Vendors may, in consultation with the Monitor, determine appropriate (the "**Binding Offer Deadline**").
13. The Monitor is satisfied that the Wabush Mine Sale Procedure has to date been carried out in accordance with its terms.

14. A number of proposals were received by the Binding Offer Deadline, details of which are provided in the confidential appendices to this Report.
15. The Vendors, in consultation with the Monitor, are in the process of reviewing the proposals received and seeking clarification with respect to certain contents thereof in order that each of the proposals can be considered and compared, including as against the other alternatives available to the Vendors, with a view to making a prompt decision as to which option to proceed with.

THE CURRENT STATE OF AFFAIRS WITH EACH INTERESTED PARTY

16. The Monitor's understanding of the current state of affairs with Interested Party One is set out in **Confidential Appendix A**.
17. The Monitor's understanding of the current state of affairs with Interested Party Two is set out in **Confidential Appendix B**.
18. The Monitor's understanding of the current state of affairs with MFC is set out in **Confidential Appendix C**.
19. The Monitor's understanding of the current state of affairs with Interested Party Four is set out in **Confidential Appendix D**.

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

Dated this 31st day of March, 2017.

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

Confidential Appendix A

State of Affairs with Interested Party One

Confidential Appendix B

State of Affairs with Interested Party Two

Confidential Appendix C

State of Affairs with MFC

Confidential Appendix D

State of Affairs with Interested Party Four