

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF **MONTREAL**

N°: 500-11-048114-157

SUPERIOR COURT

Commercial Division

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended)

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

BLOOM LAKE GENERAL PARTNER LIMITED

QUINTO MINING CORPORATION

8568391 CANADA LIMITED

CLIFFS QUÉBEC IRON MINING ULC

WABUSH IRON CO. LIMITED

WABUSH RESOURCES INC.

Petitioners

-and-

THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP

BLOOM LAKE RAILWAY COMPANY LIMITED

WABUSH MINES

ARNAUD RAILWAY COMPANY

WABUSH LAKE RAILWAY COMPANY LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

SMS EQUIPMENT INC., legal person, having a place of business at 1900-1040 West Georgia Street, Vancouver, British Columbia, V6E 4H3

Mise-en-cause

**MOTION FOR THE ISSUANCE OF AN ORDER APPROVING AN AGREEMENT AND
GRANTING THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP
AUTHORIZATION TO DISPOSE OF AN ASSET***

(Section 36 of the *Companies' Creditors Arrangement Act*)

TO MR. JUSTICE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE BLOOM LAKE CCAA PARTIES (AS DEFINED BELOW) SUBMIT:

1. BACKGROUND

1. On January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (as subsequently amended, rectified and/or restated, the "**Bloom Lake Initial Order**") commencing these proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of the Petitioners Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership ("**Bloom Lake LP**") and Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**"), as appears from the Court record.
2. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Bloom Lake CCAA Parties (the "**Monitor**").
3. On this Motion, the Bloom Lake CCAA Parties hereby seek:
 - a) approval of an agreement entered into with the Mise-en-cause SMS Equipment Inc. ("**SMS**") regarding the settlement of the SMS Claim (as defined below) and the related right of retention (the "**SMS Agreement**"), communicated herewith as **Exhibit R-1**; and
 - b) authorization of Bloom Lake LP to dispose of an asset in favor of SMS pursuant to the SMS Agreement.

2. AUTHORIZATION AND APPROVAL

4. Bloom Lake LP is the owner of a unit of machinery referred to as "RH340 Bucket" bearing serial number 36886/6 SM 1/09 CH 111 25CRM04 (the "**Equipment**").
5. On or about July 24, 2014, SMS was retained to proceed with various repair and maintenance work on the Equipment, as appears from the work orders communicated herewith as **Exhibit R-2, en liasse**.
6. As a result of this work, SMS has invoked against Bloom Lake LP the right pursuant to Article 1592 of the *Civil Code of Québec* to retain the Equipment, which is still in its

* Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bloom Lake Initial Order (as defined herein).

possession, until the payment of its claim, as appears from the letter communicated herewith as **Exhibit R-3**.

7. More specifically, SMS's claim in relation to the repairs and maintenance work done on the Equipment amounts to approximately US\$523,046.05, including taxes (the "**SMS Claim**"), as appears from the letter (Exhibit R-3) and the invoices communicated herewith as **Exhibit R-4, en liasse**.
8. The CCAA Parties and the Monitor have reviewed and are satisfied with the validity of the SMS Claim and related retention right over the Equipment.
9. The Equipment's estimated market value is less than half the SMS Claim.
10. In this context, on or around September 30, 2015, the Bloom Lake CCAA Parties entered into the SMS Agreement with SMS pursuant to which, subject to this Court's authorization, Bloom Lake LP agreed and undertook to transfer and surrender the ownership of the Equipment to SMS, free and clear of all charges, as appears from the SMS Agreement (Exhibit R-1).
11. In exchange for the transfer of the Equipment, SMS has agreed to grant the Bloom Lake CCAA Parties a full and final release in respect of the SMS Claim.
12. In order to implement the SMS Agreement, the Bloom Lake CCAA Parties hereby seek approval of the SMS Agreement and the Court's authorization to transfer and surrender to SMS the ownership of the Equipment, free and clear of all charges, the whole pursuant to section 36 of the CCAA.
13. The Bloom Lake CCAA Parties are satisfied that the criteria set out in section 36 of the CCAA have all been met and understand that the Monitor supports the settlement with SMS as set out in the SMS Agreement, including the proposed disposition of the Equipment to SMS pursuant to the SMS Agreement, and will file a report on the SMS Agreement.

3. PROCEDURAL MATTERS

14. The Bloom Lake CCAA Parties submit that the notices given of the presentation of the present Motion are proper and sufficient.
15. Pursuant to paragraph 54 of the Bloom Lake Initial Order, all motions in these CCAA Proceedings are to be brought on not less than ten (10) calendar days' notice to all Persons on the service list. Each motion must specify a date (the "**Initial Return Date**") and time for the hearing.
16. The service of the present Motion serves as notice pursuant to paragraphs 47 and 54 of the Bloom Lake Initial Order.
17. Paragraph 55 of the Bloom Lake Initial Order requires that any Person wishing to object to the relief sought on a motion in the CCAA Proceedings must serve responding motion materials or a notice stating the objection to the motion and grounds for such objection (a "**Notice of Objection**") in writing to the moving party and the Monitor, with a copy to all persons on the service list, no later than 5 p.m. Montréal time on the date that is four

(4) calendar days prior to the Initial Return Date (the "**Objection Deadline**"). Accordingly, any parties wishing to object to the relief sought on this Motion must serve responding motion materials or a Notice of Objection by no later than 5 p.m. Montréal time on October 30, 2015.

18. Paragraph 56 of the Bloom Lake Initial Order further provides that if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion may determine whether a hearing is necessary, whether such hearing will be in person, by telephone or in writing and the parties from whom submissions are required (collectively, the "**Hearing Details**").
19. Paragraph 57 of the Bloom Lake Initial Order provides that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

4. CONCLUSIONS

20. In light of the foregoing, the Bloom Lake CCAA Parties hereby seek the issuance of an Order substantially in the form of the draft Order communicated herewith as **Exhibit R-5**, which provides for approval of the SMS Agreement and authorization of Bloom Lake LP to dispose of the Equipment in favor of SMS.
21. The present Motion is well founded in fact and in law.

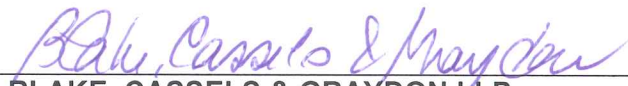
FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Motion;

ISSUE an order in the form of the draft Order communicated in support hereof as Exhibit R-5;

WITHOUT COSTS, save and except in case of contestation.

Montréal, October 23, 2015

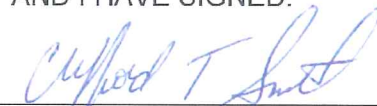


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Bloom Lake CCAA Parties

AFFIDAVIT

I, the undersigned, **CLIFFORD T. SMITH**, the Executive Vice-President and a director of Bloom Lake General Partner Limited and Cliffs Québec Iron Mining ULC, each having a place of business at 1155 Robert-Bourassa Boulevard (formerly Rue University), Suite 508, in the city and district of Montréal, Québec, solemnly affirm that all the facts alleged in the present *Motion for the Issuance of an Order Approving an Agreement and Granting The Bloom Lake Iron Ore Mine Limited Partnership Authorization to Dispose of an Asset*, are true.

AND I HAVE SIGNED:



CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio
this 23rd day of October, 2015

Notary Public



ADAM D. MUNSON, Atty.
NOTARY PUBLIC
STATE OF OHIO
My Commission Has No
Expiration Date
Section 147.03 R.C.

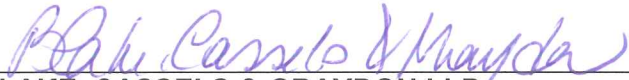
NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the present *Motion for the Issuance of an Order Approving an Agreement and Granting The Bloom Lake Iron Ore Mine Limited Partnership Authorization to Dispose of an Asset* will be presented for adjudication before the Honourable Stephen W. Hamilton, J.S.C., or another of the honourable judges of the Superior Court, Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **November 5, 2015** at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, October 23, 2015



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Bloom Lake CCAA Parties

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Commercial Division

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and

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

Mises-en-cause

and

FTI CONSULTING CANADA INC.

Monitor

and

SMS EQUIPMENT INC.

Mise-en-cause

LIST OF EXHIBITS


(In support of the *Motion for the Issuance of an Order Approving an Agreement and Granting The Bloom Lake Iron Ore Mine Limited Partnership Authorization to Dispose of an Asset*)

- R-1 SMS Agreement;
- R-2 *En liasse*, work orders;
- R-3 Letter from Equipment SMS Inc.'s counsel dated April 13, 2015;
- R-4 *En liasse*, invoices from Equipment SMS Inc.;
- R-5 Draft Order.

The exhibits are available at the following link:

<https://blakes.sharefile.com/d-se2f4ec350ca4647a>

Montréal, October 23, 2015



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Bloom Lake CCAA Parties

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N° : 500-11-048114-157

**SUPERIOR COURT
DISTRICT OF MONTREAL
(Commercial Division)**

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

BLOOM LAKE GENERAL PARTNER LIMITED & AL.

Petitioners

-and-
THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP & AL.

Mises-en-cause

-and-
FTI CONSULTING CANADA INC.

Monitor

-and-
SMS EQUIPMENT INC.

Mise-en-cause

**MOTION FOR THE ISSUANCE OF AN ORDER
APPROVING AN AGREEMENT AND GRANTING
THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP AUTHORIZATION TO DISPOSE
OF AN ASSET, AFFIDAVIT, NOTICE OF
PRESENTATION AND EXHIBITS**

ORIGINAL

M^{re} Bernard Boucher **BB-8098**

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