

CANADA

PROVINCE OF QUÉBEC
District of Montréal

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.

RESPONDENTS

-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

- 2 -

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MOELIS & COMPANY LLC

Mise-en-cause

-and-

MFC BANCORP LTD. (formerly know as MFC Industrial Ltd.), a duly constituted corporation having a business establishment at 400 Burrard Street, Suite 1860, Vancouver (BC), V6C 3A6

PETITIONER

MOTION BY MFC BANCORP LTD. TO PARTIALLY LIFT THE STAY OF PROCEEDINGS, TO VARY A COURT ORDER, TO OBTAIN PAYMENT OF SUMS OF MONEY HELD IN TRUST BY THE MONITOR, TO TERMINATE A SUB-LEASE AND FOR ADDITIONAL RELIEF

(Paragraph 65 of the Rectified Wabush Initial Order dated May 28, 2015)

TO THE HONORABLE JUSTICE STEPHEN W. HAMILTON, J.S.C. OF THE SUPERIOR COURT SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTREAL, THE PETITIONER, MFC BANCORP LTD. RESPECTFULLY SUBMITS:

1. The Petitioner MFC Bancorp Ltd. (formerly known as MFC Industrial Ltd.) ("**MFC**") is a creditor of the Wabush CCAA Parties (being Wabush Iron Co. Limited ("**WIC**"), Wabush Resources Inc., Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited) and is the sub-landlord of the mining property which constitutes the Wabush Mine, all as more fully detailed herein;

2. On April 17, 2015 this Court issued an Order (the "**Original SISP Approval Order**") regarding a Sale and Investor Solicitation Process (the "**SISP**") as appears from a copy of same filed in support hereto as **EXHIBIT P-1**;
3. Prior to the issuance of the Original SISP Approval Order, counsel for MFC had contacted counsel for the Respondents and indicated MFC's disagreement with the terms of the proposed SISP and required that MFC's contractual rights be respected by the Wabush CCAA Parties and specifically unaffected by any Order to be issued by the Court regarding the SISP;
4. Without necessity of a formal contestation, counsel for the Respondents agreed that MFC should benefit from the same protections being granted to other parties having filed Notices of Objection and Contestation (such as the Sept-Iles Port Authority, Iron Ore Company of Canada et al);
5. Consequently, as appears from Exhibit P-1, Paragraph 10 of the Original SISP Approval Order reads as follows:

*"[10] **DECLARES** that this Order approving the SISP shall not affect or impair the rights of MFC Industrial Ltd. ("**MFC**"), if any, vis-à-vis the Non-CCAA Parties, including pursuant to an Amendment and Consolidation of Mining Leases dated September 2, 1959 and related sub-leases (as amended from time to time) as it relates to the property of Non-CCAA parties;"*

6. At the time of the Original SISP Approval Order, the Wabush CCAA Parties were all considered non-CCAA parties, as they had not sought protection under the Companies' Creditors Arrangement Act (the "**CCAA**") and were not subject to the Initial Order issued on January 27, 2015, as amended (the "**Bloom Lake Initial Order**");
7. Without consulting with counsel for MFC, the Wabush CCAA Parties subsequently petitioned the Court and obtained the issuance of an Initial Order *ex parte*, the whole as appears from a copy of the Initial Order issued on May 20, 2015 ("**Wabush Initial Order**") and the rectified Initial Order dated May 28, 2015 ("**Rectified Wabush Initial Order**") filed *en liasse* in support hereof as **EXHIBIT P-2**;
8. Upon receipt thereof, MFC immediately noted that neither the Wabush Initial Order nor the Rectified Wabush Initial Order provided for any protection of its contractual rights vis-à vis WIC as had been provided for in the Original SISP Approval Order;
9. As the situation created by the issuance of the Wabush Initial Order and the Rectified Wabush Initial Order and the inclusion of WIC as a CCAA Party

could potentially affect its contractual rights, MFC contested a Motion pursuant to which the Wabush CCAA Parties sought the application to them of various priorities, orders and the SISP, and MFC further sought to obtain the inclusion in any resulting judgment of wording similar to what was provided for in the Bloom Lake Initial Order with respect to the protection of MFC's contractual rights;

10. On June 9, 2015 the Court issued an Order stating *inter alia* that:

*"[12] **DECLARES** that this Order approving the SISP as it relates to the Wabush CCAA Parties nunc pro tunc is without prejudice to the rights, if any, of MFC Industrial Ltd. ("**MFC**") if any, vis-à-vis the Wabush CCAA Parties, including pursuant to an Amendment and Consolidation of Mining Leases dated September 2, 1959 and related sub-leases (as amended from time to time) as it relates to the property of Wabush CCAA Parties;"*

11. On November 23, 2015, the Wabush CCAA Parties instituted proceedings regarding the amendment and consolidation of mining lease between MFC and WIC dated September 2, 1959 (the "**Sub-Lease**") by serving MFC a Motion for Directions and the Issuance of a Safeguard Order ("**Motion for Directions**"), the whole as appears from the Court record (Motion #247 on the *Plumitif*);
12. The purpose of the Motion for Directions was to obtain an interpretation of the terms of the Sub-Lease that favours WIC by allowing it to retain the rights and benefits as a tenant under the Sub-Lease without having to pay MFC the required minimum royalty and rent payments thereunder by seeking a Safeguard Order entitling WIC to cease making any payments as of the filing of said Motion for Directions;
13. The Motion for Directions is and remains contested by MFC and the Safeguard Order portion thereof was opposed by MFC at the time of its initial presentation;
14. Further to said contestation, the parties came to an agreement on the Safeguard Order portion only and, as a consequence, on December 4, 2015, the Court issued an Order which was recorded in the minutes of the hearing and provides for the following:

*"**ORDERS** that until such time as the Court renders judgement with respect to the Motion, the Wabush CCAA Parties shall give 14 day prior notice to MFC before dismantling or destroying the infrastructure or fixtures at the Wabush mine, in order to allow MFC to take whatever proceedings it considers appropriate to protect its rights;*

***ORDERS** the Wabush CCAA Parties to deposit the sum of \$812,250 per quarter with the Monitor in respect of the quarters ending October 25th,*

2015 and following, to be held pending final judgment by the Court on the Motion;

***ORDERS** that MFC is required to seek an order to lift the stay of proceedings prior to taking any action to terminate the Sublease or enforce any right thereunder.”*

the whole as appears from the minutes of hearing filed in support hereto as **EXHIBIT P-3**;

15. As at July 25, 2016, the Monitor has confirmed that it holds an amount of \$3,249,000 as appears from copies of emails from the Monitor filed in support hereto as **EXHIBIT P-4**;
16. As the Wabush CCAA Parties and the Monitor have not been able to procure any viable proposals for the sale of the Wabush Mine that would benefit their creditors or other stakeholders despite having been engaged in the CCAA process for over 15 months and, given the direction the CCAA proceedings are taking, MFC believes that the various Orders rendered regarding its contractual rights as sub-landlord under the Sub-Lease, which were intended to balance each parties' interests and favour the reorganization of the Wabush CCAA Parties, should be reviewed and MFC should be allowed to exercise its contractual rights under the Sub-Lease without further impediment or delay;

HISTORY AND DETAIL OF MFC'S CONTRACTUAL RIGHTS

17. MFC (formerly known as MFC Industrial Ltd.) is the current name of the corporation that was once known as Canadian Javelin Limited ("**Canadian Javelin**") which has undergone a number of corporate restructurings, continuations and name changes since 1951;
18. MFC and WIC have had a long standing business relationship which can be traced back prior to 1959 as will be further detailed herein;
19. MFC's contractual rights stem from various indentures, agreements and amendments thereto, establishing collectively leases, sub-leases and related agreements (the "**Mining Lease Documents**") which consist of, amongst other things, the following:
 - a) Indenture made and entered into on May 26, 1956 between the Lieutenant-Governor of the Province of Newfoundland ("**Newfoundland**") as Lessor and the Newfoundland and Labrador Corporation Limited ("**Nalco**") as Lessee entered into a mining lease (the "**Mining Lease**") regarding a certain parcel of land occasionally

referred to as Lot 1 of the Wabush iron ore mine (the "**Demised Premises**") which is described as follows:

"Beginning at a point being the intersection of Meridian sixty-six degrees fifty-four minutes thirty seconds West Longitude and the south shore of Little Wabush Lake, thence running south along the said Meridian sixty-six degrees fifty-four minutes thirty seconds of West Longitude to its intersection with the south shore of Knoll Lake; thence running by a line south seventy-two degrees thirty minutes west to its intersection with the eastern shore of Long Lake at the mouth of a small stream flowing from a small lake; thence running along the said western shore of Long Lake and a river flowing north from Long Lake in a general northwesterly direction to a point being the intersection of parallel fifty-two degrees fifty-four minutes thirty seconds north Latitude with the Meridian sixty-six degrees fifty-nine minutes of West Longitude; thence running by a line north seventy degrees east to a point on the western shore of Little Wabush Lake at the mouth of a small stream; thence running along the said western shore of Little Wabush Lake in a general southeasterly direction to the point of beginning, all bearings being referred to the True Meridian and containing an area of approximately five square miles; and being more particularly described and delineated in red upon the plan annexed to this Indenture: Excepting nevertheless from the above described land the right of way of Wabush Lake Railway Company Limited."

the whole as appears from a copy of said Indenture (Mining Lease) filed in support hereof as **EXHIBIT P-5**;

- b) Indenture made and entered into on May 26, 1956 between Nalco as Lessor and Canadian Javelin as Lessee entered into a sub-lease agreement regarding the Demised Premises, the whole as appears from a copy of said Indenture filed in support hereof as **EXHIBIT P-6**;
- c) the Sub-Lease, the whole as appears from said Indenture filed in support hereof as **EXHIBIT P-7**;
- d) Statutory Agreement dated September 4, 1959 between Newfoundland, Nalco, Canadian Javelin and WIC filed in support hereof as **EXHIBIT P-8**;
- e) Statutory Lease Agreement dated June 23, 1960 between Newfoundland, Nalco, Canadian Javelin, WIC and other parties, filed in support hereof as **EXHIBIT P-9**;

- f) Agreement between Canadian Javelin and WIC dated July 19, 1960, filed in support hereof as **EXHIBIT P-10**;
 - g) Amendment of Amendment and Consolidation of Mining Lease dated August 8, 1961 between Canadian Javelin and WIC filed in support hereof as **EXHIBIT P-11**;
 - h) Statutory Partition Agreement dated June 7, 1964 between Newfoundland, Nalco, Knoll Lake Minerals Limited and Canadian Javelin, filed in support hereof as **EXHIBIT P-12**;
 - i) Memorandum of Agreement entered into in 1987, between Nalcap Holdings Inc. (formerly Javelin International) and WIC and others, filed in support hereof as **EXHIBIT P-13**; and
 - j) First Amendment to Memorandum of Agreement entered into in 1988 between Nalcap Holdings Inc., WIC and others, filed in support hereof as **EXHIBIT P-14**;
20. MFC's contractual rights by virtue of the Mining Lease Documents remain in full force;
21. Certain provision of said Mining Lease Documents specifically restrict WIC's right to assign its interests thereunder and grant MFC the right to acquire the assets upon or under the demised premises in the event of termination of WIC's tenancy under the Sub-Lease;
22. By virtue of the Mining Lease Documents, in the event of termination of the tenancy, WIC has six (6) months to remove all buildings, plant, machinery and all articles and things of WIC in and upon or under the demised premises, provided that MFC has the right upon written notice to WIC to purchase all or any part of same at the then reasonable market price, to be determined;
- (Emphasis added)
23. Furthermore, as clearly appears from the Mining Lease Documents, WIC is limited in its capacity to sell, assign or transfer the demised premises on which the Wabush Mine is operated and cannot transfer more rights than it has by virtue of said Mining Lease Documents;
24. If the tenancy terminates, all rights are to revert to MFC while the Province of Newfoundland and Labrador remains the ultimate lessor of the lands and mining rights;

NEW AND MATERIAL FACTS REGARDING THE WABUSH MINE

25. Since December 31, 2015, the Wabush CCAA Parties and the Monitor have made various representations to the Court, creditors and various stakeholders, including MFC, that discussions were ongoing with a potential purchaser regarding the eventual purchase of the Wabush Mine as appears from the Monitor's 15th, 16th and 19th reports, all filed in the Court record;
26. The Monitor was always careful to declare that there was no guarantee that said discussions would ever lead to a binding agreement for the purchase of the Wabush Mine. However, the disclosures made by the Monitor still led the creditors, including MFC, and other stakeholders to remain hopeful that a sale of the Wabush Mine could be completed in the near future;
27. Given MFC's recognized contractual rights under the Mining Lease Documents, MFC expected that it would eventually be party to discussions involving any potential purchaser regarding the assignment of the Sub-Lease or other similar arrangements that would affect its contractual rights;
28. However, on May 19, 2016, a letter sent to the parties on the Service List by the attorneys for the Monitor advised all interested parties that the potential purchaser of the Wabush Mine will not proceed with a transaction and that the Monitor was analyzing liquidation proposals and would endeavor to negotiate final agreements regarding same, subject to Court approval, the whole as appears from a letter dated May 19, 2016 filed in support hereto as **EXHIBIT P-15**;
29. Further to the above mentioned letter (P-16), MFC, through its undersigned attorneys addressed a letter to the attorneys for the Wabush CCAA parties stating that it was clear that no sale of the Wabush Mine could be contemplated. In the letter, counsel for MFC offered that the parties immediately commence discussions involving the termination of the Sub-Lease, which would save all parties the time and expense of continuing proceedings relating to the Motion for Directions and would lead to a result that would benefit creditors and other stakeholders, the whole as appears from a copy of a letter by BCF LLP to Mtre Bernard Boucher of Blakes LLP dated June 23, 2016 , filed in support hereto as **EXHIBIT P-16** ;
30. The above mentioned proposal was never accepted by the Wabush CCAA Parties and in fact neither they nor their counsel ever responded to the same;
31. However, recent events reveal the Wabush CCAA Parties true intentions regarding the Wabush Mine and MFC's rights under the Sub-Lease;

32. On August 30, 2016, the undersigned attorneys received from the attorneys for the Wabush CCAA Parties a copy of a notice (the "**Notice**") that was to be served on MFC, the whole as appears from a copy of said Notice, filed in support hereto as **EXHIBIT P-17**;
33. As appears said Notice (P-18) the Wabush CCAA parties, in accordance with the terms of the Order dated December 4, 2015 gave MFC a 14 day Notice stating that:

"In accordance with the December 4th Order, you are hereby notified that it is the Wabush CCAA Parties' intention to initiate a request for proposal process for liquidation proposals for the infrastructure and fixtures located at the Wabush Mine, which proposals may lead to the sale and dismantlement of all or some of the infrastructure or fixtures located at the Wabush Mine."
34. On September 2, 2016, the undersigned attorneys confirmed by e-mail that they had received instructions from MFC to accept service of the Notice (P-18), as appears from a copy of said e-mail filed in support hereto as **EXHIBIT P-18**;
35. Furthermore, also on September 2, 2016, the undersigned attorneys addressed a letter to the attorneys for the Wabush CCAA Parties providing notice that MFC intended to file a motion with the Court to contest the announced liquidation and demanded that no further steps be taken until such time as the issue was brought before the Court, the whole as appears from a copy of said letter, filed in support hereto as **EXHIBIT P-19**;
36. Notwithstanding the foregoing, it appears that further steps were initiated by the Monitor, as appears from a copy of an email received from the Monitor's attorneys on September 14, 2016, which provides information concerning the ongoing call for proposals, filed in support hereto as **EXHIBIT P-20**;
37. It has therefore become abundantly clear that the Wabush CCAA Parties and the Monitor have no intention of selling the Wabush Mine and that all remaining assets will be sold-off piecemeal or simply destroyed;
38. Once again, MFC, as well as the other creditors, are put before a "fait accompli" and are forced to react in a very short timeframe without having access to all information regarding the liquidation process;
39. The Wabush CCAA Parties continue to hide behind the protection provided by the CCAA and the Initial Order to conduct a liquidation of all Wabush Mine assets to its own benefit or the benefit of its principals with total disregard for the rights and interests of the various stakeholders;

40. The position of the Wabush CCAA Parties as expressed in pending proceedings and in the Notice is that it should be allowed to remain in possession of the Wabush Mine property, while dismantling and liquidating the equipment and other assets that are subject to MFC's rights, while at the same time avoiding any payment of rent or minimum royalty payments whatsoever to MFC and denying MFC the ability to exercise its rights under the Sub-Lease;
41. MFC has a clear right, established by valid and legally binding contractual agreements to purchase all or any part of WIC's property located on the demised premises in the case of termination of the Sub-Lease at the reasonable market price, to be established;
42. MFC's right to acquire assets at the Wabush mine is similar to a right of first refusal, must be maintained and have priority over the rights of any party making an offer and especially a liquidation offer which in no way participates in a restructuring of the Wabush CCAA Parties;
43. In fact, the exercise of MFC's right to acquire the mine assets under the Sub-Lease, which is not subject to the SISF, would most likely allow for a superior realization by the Monitor for the benefit of all creditors and would benefit other stakeholders;
44. On February 29, 2016, the Minister of Environment and Conservation of Newfoundland and Labrador granted a conditional release of the Wabush Mine Decommissioning and Reclamation Project (the "**Conditional Release**"), filed in support hereto as **Exhibit P-21**;
45. The Conditional Release required various plans to be filed with the Government of Newfoundland and Labrador before any physical work could commence on the site with respect to the reclamation thereof including, among other things, an implementation plan and a public consultation plan, which would set forth the consultation with the Town of Wabush, Aboriginal groups and include a detailed inspection schedule;
46. MFC has serious concerns that the current intention of the Wabush CCAA Parties and the Monitor to proceed with the liquidation and dismantling of the Mine, as set forth in the Notice, disregards the consultation processes required under the Conditional Release and the rights of stakeholders, including the Town of Wabush, Aboriginal groups and the Province of Newfoundland and Labrador;

LIFT OF STAY OF PROCEEDINGS, TERMINATION OF THE SUB-LEASE, RELEASE OF AMOUNTS HELD IN TRUST BY THE MONITOR AND ADDITIONAL RELIEF SOUGHT BY MFC

47. Based on the above, and the current status of the file, there is no reason for the Sub-Lease to remain in force and, based on past and continuing defaults by WIC, the Court should lift the stay of proceedings, if necessary, and declare the Sub-Lease terminated;
48. The payments provided for in the Sub-Lease and related agreements due after the Wabush Initial Order are current obligations which are due and payable in accordance with the terms of the Sub-Lease and are normally not subject to the stay of proceedings;
49. However, by the Order rendered on June 9, 2015, the Court subjected the termination of the Sub-Lease to the lifting of the stay of proceedings. MFC therefore contends that said stay of proceedings should now be lifted, at least partially, to allow for the termination of the Sub-Lease in accordance with the conclusions of this Motion;
50. The payment obligations of WIC under the Sub-Lease are to pay (a) annual rent and to pay (b) minimum royalty payments and/or rarned royalties;
51. Notices of default were sent to WIC et al. on September 3, 2015 and December 3, 2015 as appears from copies of same file in support hereto as **EXHIBIT P-22**;
52. The Annual Rent stipulated in the Sub-Lease has not been paid by WIC either to MFC or to the Monitor in Trust;
53. As mentioned hereinabove, the payment of all sums under the Sub-Lease are presently subject to the terms of the Order rendered on December 4, 2015 (P-3);
54. Given the current circumstances MFC is of the opinion that the Sub-Lease should be immediately terminated and that the Order dated December 4, 2015 be varied or vacated so that the Monitor be ordered to immediately pay the amounts held in trust to MFC;
55. The immediate termination of the Sub-Lease would allow MFC to retake possession of the mine property and exercise its rights to acquire the Wabush mine assets at their "reasonable market price" in accordance with the Sub-Lease, which would benefit creditors, as the price payable by MFC under the Sub-Lease would likely be higher than that obtained by the liquidation currently sought by the Wabush CCAA Parties;

56. MFC's rights should have priority and be enforced by this Court in accordance with the valid and binding contractual obligation of WIC as provided for in the Sub-Lease that has been in force between the parties continually since 1959;
57. The liquidation process currently pursued by the Wabush CCAA Parties and the Monitor does not conform to the SISP and should not have precedent over pre-existing, valid and binding contractual obligations which could provide a better outcome for the creditors;
58. Furthermore the combination of the return of the mining property to MFC and the re-purchase of the Wabush assets could eventually favour the restarting of the Wabush Mine by a new operator, allowing for future benefits for many stakeholders, including the Town of Wabush, the Province of Newfoundland and Labrador and former employees of the mine;
59. The above proposed solution could provide an immediate benefit for the creditors while offering a possibility of future benefits for various stakeholders that could be interested in doing business with a future operator;
60. On the other hand, the immediate liquidation of the remaining Wabush assets and the stripping of the mining property would mark the definite end to any possible future exploitation of the mine as the investment required to rebuild new installations and infrastructure as well as repurchase the equipment would certainly be an additional obstacle to any rebirth of the mine;
61. There is no longer any logical business or legal rationale to maintain the Sub-Lease in force given the clear intention of the Wabush CCAA parties to liquidate;
62. The Wabush CCAA Parties' strategy regarding the liquidation of the remaining mining infrastructure and assets and the Wabush Mine property itself appear to be mainly established in a way that is the most favourable to the interests of the principal shareholder Cliffs Natural Resources Inc. ("**CNR**"), notably as far as its reclamations obligations are concerned;
63. Regarding CNR and other related parties' position as creditor in the Wabush CCAA file, MFC also asks for an Order of this Court directing the Monitor to provide it with copies of all proofs of claim filed by CNR and any other related parties along with all schedules and supporting documentation;

64. Furthermore, if no agreement can be reached with MFC on the price to be paid for the assets, the possibility of a sale of the assets by the Monitor would subsist, but at least MFC's contractual rights will have been respected and the property will be returned to MFC which has obligations regarding same under its own agreements with the Province of Newfoundland and Labrador;
65. MFC therefore petitions this Court to order the Monitor to suspend its consideration of any liquidation proposals until a final judgment on this Motion is rendered;
66. The filing of this Motion is contemplated by paragraph 65 of the Rectified Wabush Initial Order and MFC has respected the terms of same by serving this Motion to all members on the Service List but requires that the Court reduce the delay for service and presentation so that it can be placed on the Courts docket on September 28, 2016 as other Motions and a Case Management Hearing are already scheduled for that date;
67. This Motion is well founded in fact and law.

FOR THE REASONS SET FORTH ABOVE, MAY IT PLEASE THE COURT TO:

REDUCE the delay for service and filing of this Motion and **Order** that it be placed on the roll of the Court on September 28, 2016;

GRANT this *Motion to partially lift the Stay of Proceedings, to vary a Court Order, to obtain payment of sums of money held in trust by the Monitor, to Terminate a Sub-Lease and for additional relief*;

LIFT the stay of proceeding for the purpose of allowing this Motion to proceed;

DECLARE the Sub-Lease terminated as of the date of the judgment to be rendered on this Motion;

ORDER the release by FTI Consulting in its capacity as Monitor (the "**Monitor**") of the amount of \$3,249,000 or any other amount held in Trust by the Monitor further to the Court Order dated December 4, 2015;

ORDER the Monitor to pay to MFC Bancorp Ltd. ("**MFC**") for the benefit of Wabush Iron Co. Ltd. ("**WIC**") the amount of \$3,249,000 held in Trust or any other amount held by the Monitor at the date of the judgment on the Motion;

RESERVE the rights of MFC acquire certain assets of WIC in accordance with its existing contractual rights, the whole without being subject to any other conditions established by the Monitor;

ORDER the Monitor to provide MFC it with copies of all proofs of claim filed by Cliffs Natural Resources and any other related parties in relation with the Wabush CCAA file along with all schedules and supporting documentation;

ORDER the Monitor to suspend its consideration of any liquidation proposals until a final judgment is rendered on this Motion;

ORDER the provisional execution of the judgment to be issued further to this Motion notwithstanding appeal and without security;

THE WHOLE with judicial costs;

MONTREAL, September 19, 2016



BCF LLP

Me Gary Rivard

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Attorneys for Petitioner

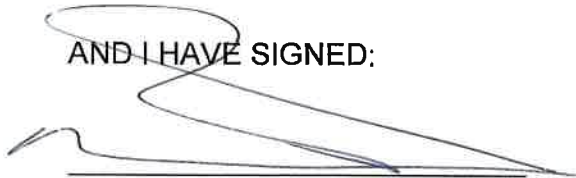
MFC BANCORP LTD

SWORN STATEMENT

I, the undersigned, Michael J. Smith, having a professional address at 400, Burrard Street, suite 1860, Vancouver, BC, V6C 3A6, do solemnly declare the following:

1. I am the Managing Director and a duly authorized representative of MFC Bancorp Ltd. in the present case;
2. All the facts alleged in the attached Motion are true.

AND I HAVE SIGNED:



SOLEMNLY SWORN before me in Vancouver, BC
On September A, 2016



Notary Public

ROD A. TALAIFAR
Barrister & Solicitor
1000 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER, B.C. V6C 3L2
TELEPHONE: 604-662-8808

NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the attached *Motion by MFC Bancorp Ltd. to partially lift the Stay of Proceedings, to vary a Court Order, to obtain payment of sums of money held in trust by the Monitor, to Terminate a Sub-lease and for additional relief*, will be presented for adjudication before the Honourable Stephen W. Hamilton, J.S.C. of the Superior Court, Commercial Division, sitting in and for the district of Montreal, in the Montreal Courthouse located at 1, Notre-Dame Est, Montreal, Quebec, on **September 28, 2016, in a room and time to be determined.**

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, September 19, 2016

BCF LLP

BCF LLP

Me Gary Rivard

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Attorneys for Petitioner

MFC BANCORP LTD

CANADA

PROVINCE OF QUÉBEC
District of Montreal

N° : **500-11-048114-157**

SUPERIOR COURT

(Commercial division)

(Sitting as a court designated pursuant to
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RESPONDENTS

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-and-

**MFC BANCORP LTD. (formerly known
as MFC Industrial Ltd.)**

PETITIONER

LIST OF EXHIBITS

- EXHIBIT P-1: Copy of the Order regarding a Sales and Investors Solicitor Process dated April 17, 2015;
- EXHIBIT P-2: Copy of the Initial Order issued on May 20, 2015 and the rectified Initial Order Dated May 28, 2105, filed *en liasse*;
- EXHIBIT P-3: Copy of the minutes of the hearing;
- EXHIBIT P-4: Copy of emails from the Monitor;
- EXHIBIT P-5: Copy of Indenture (Mining Lease) entered into on May 26, 1965 between the Lieutenant-Governor of the Province of Newfoundland and the Newfoundland and Labrador Corporation Limited;
- EXHIBIT P-6: Copy of Indenture between NALCO and Canadian Javelin;
- EXHIBIT P-7: Copy of Indenture between Canadian Javelin and WIC;

- EXHIBIT P-8: Copy of Statutory Agreement dated September 4, 1959 between Newfoundland, Nalco, Canadian Javelin and WIC;
- EXHIBIT P-9: Copy of Statutory Agreement dated June 23, 1960 between Newfoundland, Nalco, Canadian Javelin and WIC;
- EXHIBIT P-10: Copy of an Agreement between Canadian Javelin and WIC dated July 19, 1960;
- EXHIBIT P-11: Copy of Amendment of Amendment and Consolidation of Mining Lease dated August 8, 1961 between Javelin and WIC;
- EXHIBIT P-12: Copy of Statutory Partition Agreement dated June 7, 1964 between Newfoundland, Nalco, Knoll Lake Minerals Limited and Canadian Javelin;
- EXHIBIT P-13: Copy of Memorandum of Agreement entered into in 1987 between Nalcap Holdings Inc. (formerly Javelin International) and WIC;
- EXHIBIT P-14: Copy of First Amendment to Memorandum of Agreement entered into in 1988 between Nalcap Holdings Inc., WIC and others;
- EXHIBIT P-15: Copy of a letter dated May 19, 2016;
- EXHIBIT P-16: Copy of a letter by BCF LLP to Mtre Bernard Boucher of Blakes LLP dated June 23, 2016;
- EXHIBIT P-17: Copy of the Notice that was to be served on MFC;
- EXHIBIT P-18: Copy of an e-mail from attorneys for MFC confirming that they had received instructions from MFC to accept service of the Notice;
- EXHIBIT P-19: Copy of a letter from BCF LLP addressed to the attorneys for the Wabush CCAA Parties dated September 2nd, 2016;
- EXHIBIT P-20: Copy of an e-mail from Monitor's attorneys regarding call for proposals;
- EXHIBIT P-21: Copy of Conditional Release dated February 29, 2016;

EXHIBIT P-22: Copy of Notices of default that were sent to WIC et al. on September 3, 2015 and December 3, 2015.

MONTREAL, September 19, 2016

BCF LLP

BCF LLP

Me Gary Rivard

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Our file: 39724.1

Attorneys for Petitioner

MFC BANCORP LTD

<p>No.: 500-11-048114-157</p>	<p>SUPERIOR COURT PROVINCE OF QUÉBEC DISTRICT OF MONTRÉAL</p>	<p>IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF :</p> <p>BLOOM LAKE GENERAL PARTNER LIMITED ET AL. Respondents</p> <p>- and - THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP ET AL. Mises-en-cause</p> <p>- and - FTI CONSULTING CANADA INC. Monitor</p> <p>- and - MOELIS & COMPANY LLC Mise-en-cause</p> <p>- and - MFC BANCORP LTD (formerly know as MFC Industrial Ltd) Petitioner</p>	<p>Motion by MFC Bancorp Ltd. to partially list the stay of proceedings, to vary a Court Order, to obtain payment of sums of money held in trust by the Monitor, to terminate a sub-lease and for additional relief, Sworn Statement of Michael J. Smith, Notice of Presentation, List of Exhibits and Exhibits P-1 to P-22</p>	<p>ORIGINAL</p>	<p>Me Gary Rivard gary.rivard@bcf.ca</p> <p>Our file: 39724-1</p> <p> BCF BUSINESS LAW</p> <p>1100 René-Lévesque Blvd. West, 25th Floor MONTREAL, QUEBEC, CANADA H3B 5C9 Tel: (514) 397-6838 Fax: (514) 397-8515 BB 7462</p>
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