

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. 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-

**MOELIS & COMPANY LLC**

Mise-en-cause

---

**MOTION FOR THE ISSUANCE OF AN ORDER  
IN RESPECT OF THE WABUSH CCAA PARTIES  
(1) GRANTING PRIORITY TO CERTAIN CCAA CHARGES,  
(2) APPROVING A SALE AND INVESTOR SOLICITATION PROCESS *NUNC PRO TUNC*, (3)  
AUTHORIZING THE ENGAGEMENT OF A SALE ADVISOR *NUNC PRO TUNC*,  
(4) GRANTING A SALE ADVISOR CHARGE,  
(5) AMENDING THE SALE AND INVESTOR SOLICITATION PROCESS, (6) SUSPENDING  
THE PAYMENT OF CERTAIN PENSION AMORTIZATION PAYMENTS AND POST-  
RETIREMENT EMPLOYEE BENEFITS,  
(7) EXTENDING THE STAY OF PROCEEDINGS, AND  
(8) AMENDING THE WABUSH INITIAL ORDER ACCORDINGLY  
(Section 11 *ff.* of the *Companies' Creditors Arrangement Act*)**

---

TO THE HONORABLE 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 WABUSH CCAA PARTIES (AS DEFINED BELOW) SUBMIT:

**1. BACKGROUND**

1. On January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (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 and Bloom Lake Railway Company Limited (collectively, the "**Bloom Lake CCAA Parties**"), as appears from a copy of the Bloom Lake Initial Order communicated herewith as **Exhibit R-1**.
2. Pursuant to the aforementioned Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Bloom Lake CCAA Parties (the "**Monitor**") (para. 39 of the Bloom Lake Initial Order) and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the "**Bloom Lake Stay Period**") (para. 8 *ff.* of the Bloom Lake Initial Order).
3. On February 20, 2015, Mr. Justice Stephen W. Hamilton, J.S.C., issued an Amended Initial Order (the "**Bloom Lake Amended Initial Order**"), in which, *inter alia*, the Directors' Charge (as defined in the Bloom Lake Amended Initial Order, the "**Bloom Lake Directors' Charge**") and the Administration Charge (as defined in the Bloom Lake Amended Initial Order, the "**Bloom Lake Administration Charge**"; collectively with the Bloom Lake Directors' Charge, the "**Bloom Lake CCAA Charges**") were granted priority ahead of all hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") affecting the property of the Bloom Lake CCAA Parties (para. 47 of the Bloom Lake Amended Initial Order), the whole as appears from a copy of the Bloom Lake Amended Initial Order communicated herewith as **Exhibit R-2**.
4. On April 17, 2015, Mr. Justice Stephen W. Hamilton issued, *inter alia*, the following orders:

- a) an Order extending the Bloom Lake Stay Period to July 31, 2015 and amending the Bloom Lake Initial Order accordingly (the "**Stay Extension Order**"), as appears from a copy of the Stay Extension Order communicated herewith as **Exhibit R-3**;
  - b) an Order (the "**Sale Advisor Order**"), *inter alia*, (i) authorizing the engagement Moelis & Company LLC as the Bloom Lake CCAA Parties' mergers and acquisitions financial advisor (the "**Sale Advisor**"), pursuant to the terms of an engagement letter dated as of March 23, 2015 (the "**Engagement Letter**"), a redacted version of which is communicated herewith as **Exhibit R-4** and an unredacted copy thereof under confidential seal as **Exhibit R-4A**, and (ii) granting a charge to the Sale Advisor over the property of the Bloom Lake CCAA Parties in the maximum amount of USD \$8 million (the "**Bloom Lake Sale Advisor Charge**") with priority over unsecured creditors but subordinated to secured creditors of the Bloom Lake CCAA Parties, the whole as appears from a copy of the Sale Advisor Order which is communicated herewith as **Exhibit R-5**; and
  - c) an Order (the "**SISP Order**"), *inter alia*, approving sale and investor solicitation procedures (the "**Initial SISP**") in respect of the Bloom Lake CCAA Parties communicated herewith as **Exhibit R-6**, as appears from a copy of the SISP Order which is communicated herewith as **Exhibit R-7**.
5. On May 20, 2015 (the "**Wabush Filing Date**"), Mr. Justice Stephen W. Hamilton, issued an Initial Order (the "**Wabush Initial Order**") extending the scope of the CCAA Proceedings to the Petitioners Wabush Iron Co. Limited and Wabush Resources Inc. and the Mises-en-cause Wabush Mines, an unincorporated contractual joint venture (the "**Wabush Mines JV**"), Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**"); collectively with the Bloom Lake CCAA Parties, the "**CCAA Parties**"), as appears from a copy of the Wabush Initial Order communicated herewith as **Exhibit R-8**.
6. Pursuant to the Wabush Initial Order, *inter alia*, the Monitor was appointed as the monitor of the Wabush CCAA Parties (para. 39 of the Wabush Initial Order) and a stay of proceedings was granted until June 19, 2015 (the "**Wabush Stay Period**") (para. 8 *ff.* of the Wabush Initial Order).
7. The Wabush Initial Order also provided for the creation of certain charges over the property of the Wabush CCAA Parties (the "**Wabush Property**"), which, pursuant to paragraph 47 of the Wabush Initial Order, rank as follows:
- a) first the, Administration Charge (as defined in the Wabush Initial Order, the "**Wabush Administration Charge**") for an aggregate amount of \$1,750,000;
  - b) second, the Directors' Charge (as defined in the Wabush Initial Order, the "**Wabush Directors' Charge**") for an aggregate amount of \$2,000,000;
  - c) third, the Interim Lender Charge (as defined in the Wabush Initial Order, the "**Wabush Interim Lender Charge**") for an aggregate amount of \$15,000,000.
- (collectively, the "**Wabush CCAA Charges**").

8. Each of the Wabush CCAA Charges rank ahead of all Encumbrances in favour of Cliffs Mining Company and behind any and all other existing Encumbrances affecting the property of the Wabush CCAA Parties charged by such Encumbrances, in favour of any Persons that have not been served with notice of the motion seeking the Wabush Initial Order (para. 47 of the Wabush Initial Order).
9. Paragraph 47 of the Wabush Initial Order also provides that the Wabush CCAA Parties and the beneficiaries of the Wabush CCAA Charges are entitled to seek priority for the Wabush CCAA Charges ahead of all Encumbrances on notice to those parties likely to be affected by such priority. Paragraph 47 of the Wabush Initial Order states that it is the intention of the Wabush CCAA Parties to seek priority for the Wabush CCAA Charges ahead of all Encumbrances at the Comeback Hearing (which, pursuant to paragraph 66 of the Wabush Initial Order is scheduled for June 9, 2015).
10. Pursuant to paragraph 56 of the Wabush 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.
11. The service of the present Motion serves as notice pursuant to paragraphs 47 and 56 of the Wabush Initial Order.
12. Paragraph 57 of the Wabush 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 June 5, 2015.
13. Paragraph 58 of the Wabush 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**"). Paragraph 59 provides that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

## 2. **ORDERS SOUGHT**

14. On this Motion, the Wabush CCAA Parties hereby seek:
  - a) priority for the Wabush CCAA Charges ahead of all Encumbrances affecting the Wabush Property, whether or not charged by such Encumbrances, and to clarify that the Encumbrances include trusts and deemed trusts (statutory or otherwise) against the Wabush Property;
  - b) *nunc pro tunc* approval of the Initial SISF as at the Wabush Filing Date as it applies to the Wabush CCAA Parties from and after the Wabush Filing Date;

- c) *nunc pro tunc* authorization of the Wabush CCAA Parties, the Monitor and the Sale Advisor as at the Wabush Filing Date to take such steps as they consider necessary or desirable in carrying out the SISP (as defined herein) in accordance with its terms as relates to the Wabush CCAA Parties from and after the Wabush Filing Date;
- d) *nunc pro tunc* approval of the Wabush CCAA Parties' engagement of the Sale Advisor as at the Wabush Filing Date to assist, *inter alia*, with the conduct and implementation of the SISP as relates to the Wabush CCAA Parties from and after the Wabush Filing Date;
- e) an amendment and restatement of the Initial SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings, in the form of the amended and restated sale and investor solicitation procedures (the "**SISP**") communicated herewith as **Exhibit R-9**. A blackline comparing the Initial SISP to the SISP is communicated herewith as **Exhibit R-10**;
- f) the creation of the Wabush Sale Advisor Charge (as defined herein) to have priority over all claims of unsecured creditors of the Wabush CCAA Parties, but to be subordinated to the existing Wabush CCAA Charges and Encumbrances;
- g) the suspension of the payment by the Wabush CCAA Parties' of Monthly Amortization Payments and Yearly Catch Up Amortization Payments (both as defined herein) and other post-retirement employee benefits (the "**OPEBs**"), as described in more details herein;
- h) the extension of the Wabush Stay Period in respect of the Wabush CCAA Parties until July 31, 2015, as set forth in the conclusions to this Motion; and
- i) the issuance of an Amended Initial Order in respect of the Wabush CCAA Parties, reflecting any amendments to the Wabush Initial Order to be ordered by the Court herein.

### **3. PRIORITY OF THE WABUSH CCAA CHARGES**

#### **3.1 Movable and Immovable Hypothecs in Québec**

- 15. As of May 11, 2015, there were 5 movable hypothecs registered against moveable Wabush Property in Québec (the "**Movable Hypothecs**"), the whole as appears from the RPMRR (Québec) search results summary in respect of the movable Wabush Property, communicated herewith as **Exhibit R-11**. Copies of the raw search results will be available at the hearing of this Motion.
- 16. As of May 27, 2015, there were no immovable hypothecs registered against immovable Wabush Property in Québec (excluding legal hypothecs registered in favour of persons having taken part in the construction or renovation of an immovable to which reference is made below), the whole as appears from real estate search report (Québec) in respect of the immovable Wabush Property, communicated herewith as **Exhibit R-12**.

### 3.2 Québec Construction Liens

17. As of May 27, 2015, there were 6 legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable registered against immovable Wabush Property, four of them being related to the same claim (collectively, the “**Existing Construction Liens**”), as more fully appears from: (i) a table summarizing the Existing Construction Liens communicated herewith as **Exhibit R-13**; (ii) a copy of the legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable and registered against the immovable Wabush Property as of May 27, 2015, communicated herewith, *en liasse*, as **Exhibit R-14**; and (iii) the index of immovables for the relevant land files of the Land Register (Québec) communicated herewith, *en liasse*, as **Exhibit R-15**.
18. According to the foregoing exhibits, claims related to the Existing Construction Liens amount to approximately \$2,357,023.07, considering that four of the Existing Construction Liens relate to the same claim.
19. It is also possible that additional construction liens related to pre-filing claims (collectively with the Existing Construction Liens, the “**Construction Liens**”) may be registered against immovable Wabush Property during the course of the CCAA Proceedings.

### 3.3 PPSA and UCC Registrations

20. As of May 6, 2015, there were 12 liens registered in Ontario, Newfoundland and Labrador and Ohio against movable Wabush Property located in Québec by certain creditors, as appears from a Personal Property Security Act (Ontario, Newfoundland and Labrador) and *Uniform Commercial Code* (Ohio) search results summary in respect of movable Wabush Property communicated herewith as **Exhibit R-16** (collectively, the “**PPSA Registrations**”). Copies of the raw search results will be available at the hearing of this Motion.

### 3.4 Registrations against Immovable Wabush Property in Newfoundland and Labrador

21. As of May 14, 2015, other than on registration of *lis pendens* in respect of litigation instituted by Royal Bank of Canada, there were no registrations against the Immovable Wabush Property in Newfoundland and Labrador.

### 3.5 Need for Priority CCAA Charges

22. As more fully described in the motion for the Wabush Initial Order, each of the Wabush CCAA Charges is essential to the Wabush CCAA Parties’ goal of successful restructuring and the continuance of the CCAA Proceedings.
23. The Monitor supports this position, as appears from the Fifth Report of the Monitor filed with the Court of May 19, 2015, which forms part of the Court record.
24. The current directors and officers of the Wabush CCAA Parties have advised that they are not prepared to continue in their respective capacities unless the priority sought for the Wabush Directors’ Charge on this Motion is granted. The continued support and

service of the directors and officers of the Wabush CCAA Parties is beneficial to the Wabush CCAA Parties' efforts to preserve value and maximise recoveries.

25. Further, the beneficiaries of the Wabush Administration Charge are essential to the success of the CCAA Proceedings and the SISP.
26. Finally, the Interim Facility is the only source of financing available to the Wabush CCAA Parties to continue in care and maintenance mode during the pendency of the CCAA Proceedings.
27. The Interim Lender (as defined in the Wabush Initial Order) is only prepared to make advances of the Interim Facility (as defined in the Wabush Initial Order) pursuant to the Interim Financing Term Sheet (as defined in the Wabush Initial Order) and the Interim Financing Documents (as defined in the Wabush Initial Order) if the priority sought for the Wabush Interim Lender Charge on this Motion is granted.
28. The factors to be considered by the Court pursuant to section 11.2 of the CCAA all militate in favour of granting the priority sought for the Interim Lender Charge:
  - a) The Wabush CCAA Parties are expected to be subject to the CCAA Proceedings until at least July 31, 2015 as they seek to conduct the SISP and without the Interim Facility, the Wabush CCAA Parties do not have sufficient liquidity to meet their post-filing liabilities during such period;
  - b) The Wabush CCAA Parties' business and financial affairs will be managed in basic care and maintenance mode by the existing management team, with the goal of preserving the value of the Wabush Property while seeking a purchaser pursuant to the SISP;
  - c) The Wabush CCAA Parties' management has the confidence of the major creditors, the vast majority of whom are related companies;
  - d) The Interim Facility will significantly enhance the prospects of a viable compromise or arrangement by way of a sale of the Wabush CCAA Parties' Property, as without the Interim Facility, the Wabush CCAA Parties would not have any cash to preserve the Wabush Property and/or conduct and implement the SISP;
  - e) The nature and value of the Wabush Property is not unusual and does not involve any special considerations;
  - f) Any prejudice that could be suffered by any creditors is outweighed by the prejudice that all stakeholders would suffer in the absence of the Interim Facility, which would leave the Wabush CCAA Parties without cash and without the ability to preserve the Wabush Property and conduct and implement the SISP; and
  - g) The report of the Monitor supports the granting of the priority sought for the Interim Lender Charge.
29. The holders of Encumbrances will benefit from the pursuit of successful CCAA Proceedings and, in particular, the SISP. Specifically, equipment lessors and financiers

will benefit from the potential assignment of their respective agreements and/or the maximization of recoveries from their respective claims.

30. Parties with Construction Lien claims will benefit from the opportunity to maximize recoveries from the immovable Wabush Property through the SISP.
31. For the purpose of this Motion the Wabush CCAA Parties and the Monitor have not yet had the opportunity to review the validity or the quantum of the Encumbrances that may be asserted and all rights are reserved in this regard.
32. The Monitor supports the granting of the priority sought for each of the Wabush CCAA Charges.

#### **4. THE SISP<sup>1</sup>**

33. The CCAA Parties, in consultation with the Monitor and the Sale Advisor, prepared the SISP (Exhibit R-9) which established a process for the solicitation of bidders interested in acquiring the assets of the CCAA Parties or investing in one or more of the businesses of the CCAA Parties.
34. The Sale Advisor was engaged by all of the CCAA Parties to, among other things, assist in the conduct and implementation of the SISP.
35. Initially, the CCAA Parties contemplated that the SISP would be conducted in respect of the Bloom Lake CCAA Parties under the auspices of the CCAA Proceedings, with the Wabush CCAA Parties remaining outside of the CCAA Proceedings.
36. Therefore, the SISP Order that was obtained on April 17, 2015 approving the SISP, was obtained only in respect of the Bloom Lake CCAA Parties.
37. Since the date of the SISP Order, the CCAA Parties have conducted the SISP in accordance with its terms.
38. As the Wabush CCAA Parties are now subject to the CCAA Proceedings, they hereby seek the Court's approval of the SISP as relates to their participation in the SISP from and after the Wabush Filing Date and to amend the SISP to delete the defined term "Non-CCAA Parties" and all provisions related to Non- CCAA Parties therein.
39. The Wabush CCAA Parties are of the view that continuing the Wabush CCAA Parties in the process established by the SISP optimizes the chances of securing the best possible price for the assets for sale or the best possible investment in the businesses, all for the benefit of the Wabush CCAA Parties' stakeholders as a whole.

##### **4.1 The Property and Business Subject to the SISP**

40. The property that is available for sale pursuant to the SISP (collectively, the "**Property**") is comprised of substantially all the property, assets and undertaking of the CCAA

---

<sup>1</sup> Capitalized terms found in the discussion of the SISP in this section 4 and not otherwise defined herein shall have the meanings ascribed to them in the SISP (Exhibit R-9).



Parties, which includes their interests in the Bloom Lake Mine, the Wabush Mine, the Wabush Railway, the Arnaud Railway, the Bloom Lake Railway, and the Pointe-Noire Port (each as defined below).

41. The Businesses in which an investment may be made pursuant to the SISP are:
  - a) the business relating to the Bloom Lake Mine, the related port assets located in Pointe-Noire, Québec and the rail assets located in Newfoundland and Labrador (the "**Bloom Lake Business**");
  - b) the business relating to the Wabush Mine (the "**Wabush Mine Business**"); and
  - c) the port facilities and related rail assets located in the Provinces of Newfoundland and Labrador and Québec owned by Wabush Mines JV (the "**Port Business**").
42. The Businesses and the Property of the CCAA Parties included in the SISP are related and interdependent, and a number of expressions of interest received by the Phase I Bid Deadline related to the assets of both the Bloom Lake CCAA Parties and the Wabush CCAA Parties.
43. Accordingly, the Wabush CCAA Parties are of the view that interested parties may wish to acquire either the Bloom Lake Business, the Wabush Mine Business or the Port Business, or any combination thereof, *en bloc*, and that such sales may be the best way for the Wabush CCAA Parties to maximize the value of their Businesses and assets.
44. The SISP also provides the flexibility for interested parties to submit bids for parts of the Property or Businesses ("**Portion Bids**") which, taken together or separately, may be superior to *en bloc* bids. The SISP permits the Wabush CCAA Parties to pursue one or more of such Portion Bids in such circumstances in order to maximize value for their stakeholders.

#### **4.2 The SISP Procedures**

45. In summary, the SISP has three phases:
  - a) The first phase, contemplating delivery of non-binding letters of intent, was completed on May 19, 2015.
  - b) Parties that submit letters of intent that meet certain criteria will be invited to submit binding offers in the second phase by 5:00 p.m. on July 16, 2015 (the "**Bid Deadline**"). A number of letters of intent have been received by the CCAA Parties. After review and consultation with the Monitor and the Sale Advisor, the CCAA Parties have invited or will invite qualified bidders to continue into the second phase of the SISP and to submit binding offers by the Bid Deadline.
  - c) Where there is more than one Qualified Bid with respect to one or more Businesses or parts thereof, parties that submit Qualified Bids in respect of a Business or parts thereof will be invited to participate in an Auction where each participating bidder will have the opportunity to submit an Overbid in each round of bidding.

46. Ultimately, the SISP contemplates that one or more Successful Bids may be selected to be pursued by the Bloom Lake CCAA Parties and the Wabush CCAA Parties. Any Successful Bid which relates to any Property or Businesses of the Wabush CCAA Parties will be submitted to the Court for approval, as is the case for the Bloom Lake CCAA Parties. The SISP contemplates that any other entities, including the Wabush CCAA Parties, may be added from time to time as petitioners or mises-en-cause in the CCAA Proceedings and in such circumstances, any Successful Bid in respect of such entities would also be subject to Court approval.
47. As noted in the SISP (Exhibit R-9), the purpose of the SISP procedures set forth therein is to describe, *inter alia*:
- a) the Property or Businesses available for sale, as more particularly described in the Teaser Letter and the Summary of Businesses, and the manner in which the opportunity for an investment in the Businesses through a Plan sponsorship can be obtained;
  - b) the manner in which Prospective Bidders may gain access to or continue to have access to due diligence materials concerning the Property, the CCAA Parties and the Businesses and time lines applicable thereto;
  - c) the manner in which Prospective Bidders may submit an LOI for all or substantially all of the Businesses or any part thereof;
  - d) the manner in which Qualified Phase I Bidders may submit a binding offer for all or substantially all of the Property or Businesses or any part thereof;
  - e) the manner in which Qualified Phase I Bidders become Qualified Bidders and bids become Qualified Bids and the process for the receipt and negotiation of Qualified Bids and Qualified Portion Bids and the timelines applicable thereto;
  - f) the manner in which one or more Auctions may be held in the event that more than one Qualified Bid is received;
  - g) the process for the ultimate selection of one or more Successful Bids; and
  - h) the process for the CCAA Parties to seek the Court's approval of one or more Successful Bids.
48. The process set out by the SISP (Exhibit R-9) can be summarized as follows:<sup>2</sup>
- a) The CCAA Parties, with the assistance of the Sale Advisor and in consultation with the Monitor, compiled a listing of prospective purchasers and investors and then used reasonable efforts to contact the parties identified therein as well as any additional parties.

---

<sup>2</sup> For a complete view of this process, please see the SISP (Exhibit R-9).

- b) Prospective Bidders had the opportunity to submit a Sale Proposal (to purchase some or all of the CCAA Parties' Property) or make a Plan Sponsorship Proposal, the whole on an "as is, where is" basis.
- c) The CCAA Parties, with the assistance of the Sale Advisor and in consultation with the Monitor, prepared a Teaser Letter and sent it to all Prospective Bidders. Prospective Bidders were required to sign a Confidentiality Agreement ("CA") in order to gain access to confidential information (including access to an electronic data room) for the purposes of performing due diligence.
- d) Prospective Bidders who had signed a CA were to provide the Sale Advisor with a non-binding LOI by 5:00 p.m. (Montréal time) on Tuesday, May 19, 2015.
- e) The CCAA Parties, in consultation with the Sale Advisor and the Monitor reviewed the LOIs and, following discussion and clarification (if any) of the terms thereof, determined which Prospective Bidders will be invited to submit binding offers. Any party so invited is considered a "Qualified Phase I Bidder". The Sale Proposal LOI Criteria and Plan Sponsorship Proposal LOI Criteria are meant to ensure that only reasonably certain, credible offers are eligible to advance as Qualified Phase I Bidders to the second phase of bidding.
- f) In order to preserve flexibility, the CCAA Parties may, at any time prior to the Bid Deadline, bring a motion to seek approval of a "stalking horse" in respect of some or all of the Property and related amendments to the SISP. If any purchase agreement is approved by the Court for use as a "stalking horse", the CCAA Parties or the Sale Advisor will provide written notice of same to all Qualified Phase I Bidders.
- g) Qualified Phase I Bidders must provide the Sale Advisor with a binding Sale Proposal or Investment Proposal by the Bid Deadline of 5:00 p.m. on July 16, 2015, which Bid Deadline was determined by the CCAA Parties, in consultation with the Sale Advisor and the Monitor. The Sale Advisor has provided written notice of the Bid Deadline to all Qualified Phase I Bidders and notice of the Bid Deadline has been posted on the Monitor's Website.
- h) Binding offers must be open for acceptance until closing of the transaction with the Successful Bidder and be accompanied by a cash deposit in an amount equal to 5% of the proposed cash purchase price (if a Sale Proposal) or consideration to be available for distribution to creditors (if a Plan Sponsorship Proposal). Deposits will be held by the Monitor and refunded to all bidders that are not deemed to be the Successful Bidder with respect to a particular Business following the closing of the transaction with the Successful Bidder.
- i) The CCAA Parties, in consultation with the Sale Advisor and the Monitor will review the binding offers and, following discussion and clarification (if any) of the terms thereof, determine whether it would be in the best interests of the applicable SISP Parties to pursue a transaction on the terms set out therein.
- j) If it is determined that only one Qualified Bid was received with respect to a Business that is in the best interests of the applicable CCAA Parties, the applicable CCAA Parties may accept such Qualified Bid as the Successful Bid

and take the necessary steps to finalize an agreement with the Successful Bidder.

- k) If it is determined that more than one Qualified Bid was received with respect to a Business that are in the best interests of the applicable CCAA Parties, the applicable CCAA Parties will conduct one or more Auctions with respect to one or more Businesses to determine the highest and/or best Sale Proposal or Plan Sponsorship Proposal or combination thereof.
- l) If conducted, the Auction or Auctions will be held on a date to be determined by the applicable CCAA Parties, in consultation with the Sale Advisor and the Monitor, or as fixed by the Court. Notice of the place and date of any Auction will be delivered to all Auction Bidders by the Sale Advisor not less than three Business Days before the date of the Auction.
- m) If conducted, the Auction or Auctions will be conducted in accordance with the following procedures:
  - i) The applicable CCAA Parties and their advisors will direct and preside over the Auction. The only people permitted to attend the Auction will be the authorized representatives of the CCAA Parties, the Sale Advisor, the Monitor and each "Auction Bidder" (being a Qualified Bidder who was determined by the CCAA Parties, in consultation with the Sale Advisor and the Monitor, to be entitled to participate in the Auction);
  - ii) Bidding at the Auction will be conducted in rounds. All bids made at the Auction will be made on an open, non-confidential basis;
  - iii) The highest and/or best Qualified Bid received by the Bid Deadline (as determined by the applicable CCAA Parties, in consultation with the Sale Advisor, and the Monitor), will be the Opening Bid for the first round of the Auction;
  - iv) Each Auction Bidder will have the opportunity to submit an "Overbid," meaning that the proposed purchase price or consideration to be allocated to creditors must be at least a certain "Minimum Overbid Increment" higher than the purchase price or consideration to be allocated to creditors proposed in the Opening Bid;
  - v) Each subsequent round of bidding at the Auction will commence with the highest and/or best Overbid submitted in the prior round (as determined by the applicable CCAA Parties, in consultation with the Sale Advisor and the Monitor, following discussion and clarification (if any) of the terms thereof);
  - vi) Each Auction Bidder (other than a Qualified Portion Bidder) must participate in a round of the Auction in order to be entitled to participate in the next round; and
  - vii) In any round of the Auction, if no new Overbid is made, the Auction will be closed and the last Opening Bid will be accepted as the Successful Bid.

- n) The CCAA Parties may treat a combination of non-overlapping Portion Bids as one "Opening Bid" or "Overbid" in the Auction, and may accept a combination of non-overlapping Portion Bids as a "Successful Bid".
  - o) Upon accepting a Successful Bid that is in respect of any of the CCAA Parties' Businesses or Property, the applicable CCAA Parties will apply to this Honourable Court, with at least ten (10) days' notice to the Service List, for an order approving such Successful Bid and authorizing the applicable CCAA Parties to consummate the transaction contemplated therein.
  - p) If at any point during the SISP process, any of the CCAA Parties (in consultation with the Sale Advisor and the Monitor) determine that it will not be in the best interests of all or any of the CCAA Parties to continue with the SISP, the applicable CCAA Parties will return to Court to seek advice and directions, on notice to the Service List.
49. The Wabush CCAA Parties are of the view that the SISP provides the best opportunity to protect the interests of the Wabush CCAA Parties' stakeholders and for the Wabush CCAA Parties to maximize recoveries for their stakeholders. The SISP requires consultation with the Monitor throughout the process.
50. In particular, the process set out by the SISP provides for, inter alia:
- a) fairness, transparency and integrity;
  - b) commercial efficacy;
  - c) the flexibility necessary to accommodate the broad range of possible bids, given the nature of the CCAA Parties' Businesses and Property;
  - d) maximization of the chances of securing the best possible value for the CCAA Parties' Property or the maximum possible investment in the CCAA Parties' Businesses.

#### **4.3 Contractual Rights Relating to the SISP**

51. Pursuant to various contracts, certain of the Wabush CCAA Parties' contractual counterparties (the "**Contractual Rights Holders**") hold contractual purchase options, rights of first refusal, rights of first offer, consent rights and/or transfer restrictions (collectively, the "**Contractual Rights**") in respect of various subsets of the Wabush Property.
52. The assets over which each Contractual Right was granted vary. In general, such assets are shares of partially-owned subsidiaries, certain immovable property, or certain equipment and other personal property.
53. The events that may trigger a Contractual Right also vary. For example, certain of the Contractual Rights are triggered only upon the receipt of an offer to purchase the relevant subset of the Wabush Property, or upon termination of a particular agreement.

54. The Wabush CCAA Parties are of the view that fully honouring these Contractual Rights would impair their ability to maximize the value of their Businesses and the Wabush Property for the benefit of their stakeholders, as it would have a chilling effect on other potentially interested parties.
55. The Wabush CCAA Parties are of the view that the SISP reflects a reasonable accommodation of the Contractual Rights in the circumstances:
- a) All Contractual Rights Holders were on the list of Prospective Bidders developed for the purposes of the SISP. Each Contractual Rights Holder therefore had the opportunity to make an offer to purchase some or all of the CCAA Parties' Property or invest in their Businesses;
  - b) If a Contractual Rights Holder participates in the SISP and becomes qualified as an Auction Bidder, the Auction provides the opportunity for the Contractual Rights Holder to review the Opening Bid and to make an Overbid in each round; and
  - c) Depending on the outcome of the SISP and the terms of any Successful Bid, some or all Contractual Rights may not be triggered.
56. All Contractual Rights Holders will receive notice of this Motion.

## **5. THE SALE ADVISOR**

### **5.1 Engagement of the Sale Advisor**

57. As mentioned above, on April 17, 2015, the Court rendered the Sale Advisor Order (Exhibit R-5) approving the engagement of the Sale Advisor in respect of the Bloom Lake CCAA Parties and granted the Bloom Lake Sale Advisor Charge.
58. The Wabush CCAA Parties, then not subject to the CCAA Proceedings, also engaged the services of the Sale Advisor pursuant to the Engagement Letter (Exhibit R-4A).
59. The Wabush CCAA Parties hereby seek the Court's approval of the appointment of the Sale Advisor *nunc pro tunc* to the Wabush Filing Date as relates to the Wabush CCAA Parties, who will continue to provide, *inter alia*, consultation and assistance to the Wabush CCAA Parties pursuant to the terms of the SISP and the Engagement Letter.
60. It was and continues to be in the Wabush CCAA Parties' best interest to retain the services of the Sale Advisor, who has extensive background on the Businesses and Property of the Wabush CCAA Parties and the relevant expertise needed to execute the SISP, evaluate the Wabush CCAA Parties' Businesses and identify strategic partners, purchasers and potential investors.
61. In or about October 2014, the Sale Advisor, a global investment bank, was verbally engaged by Cliffs Natural Resources Inc., the Wabush CCAA Parties indirect parent ("**CNR**"), to assist with the solicitation of investment partners and/or purchasers for, among other things, the Eastern Canadian Iron Ore investments of CNR and the Ring of Fire projects (the "**Sales Process**").

62. After the issuance of the Bloom Lake Initial Order, the CCAA Parties continued to seek the assistance of the Sale Advisor to locate investment and/or sale opportunities for their Businesses and Property as they had already been engaged by CNR for such purposes and had expended a great deal of time and effort up to the time of the CCAA filing by the Bloom Lake CCAA Parties. In addition, the Sale Advisor has extensive experience in acting as sales and investment advisor to significant companies in the mining industry (inside and outside of formal insolvency proceedings) as well as experience in Canadian court-supervised CCAA sales and investment solicitation processes as further described in the attached letter from Sale Advisor communicated herewith as **Exhibit R-17**.
63. Pursuant to the Engagement Letter (Exhibit R-4A), the Sale Advisor has already assisted and will continue to assist the Wabush CCAA Parties in:
- a) conducting a business and financial analysis of the Businesses of the Wabush CCAA Parties and related parties (including the mine, rail and port facilities);
  - b) developing and implementing the SISP;
  - c) identifying and evaluating potential acquirers (each, an "**Acquirer**") of all or a majority of the equity securities of one or more of the Wabush CCAA Parties or related parties, through acquisition or merger, or of a majority of the assets, properties or business of any of the Businesses (each, a "**Transaction**");
  - d) contacting potential Acquirers that the Sale Advisor and the Wabush CCAA Parties or related parties have agreed may be appropriate for a Transaction, and meeting with and providing them such information about the Businesses as may be appropriate and acceptable to the Wabush CCAA Parties, subject to customary business confidentiality;
  - e) preparing information materials describing the Businesses, which the Sale Advisor may distribute to potential Acquirers;
  - f) developing a strategy to effectuate one or more Transactions;
  - g) structuring and negotiating the Transactions and participating in such negotiations as requested;
  - h) meeting with the CCAA Parties' and related parties' Boards of Directors and/or the Monitor, as requested by the CCAA Parties, to discuss any proposed Transaction and its financial implications;
  - i) providing a written report or affidavit(s) as may be reasonably requested by the CCAA Parties and related parties or by the Monitor with respect to the sale process for each proposed Transaction in connection with obtaining Court approval of such Transaction;
  - j) if requested by the Wabush CCAA Parties, participating in hearings before the this Court, and providing relevant testimony with respect to the sale process for each of the Transactions; and

- k) rendering such other financial advisory and investment banking services as customarily provided in connection with the marketing and negotiation of each Transaction, as requested by the Wabush CCAA Parties and as may be reasonably agreed to by Sale Advisor.
64. The Sale Advisor's role—which is essentially to assist in conducting the SISP and concluding a Transaction or Transactions—will be distinct from and complementary to the role of the Monitor—which is essentially to oversee the CCAA Proceedings and to assist the Wabush CCAA Parties with their Restructuring,<sup>3</sup> and reporting to the Court.
65. As appears from the Engagement Letter (Exhibit R-4A), the Sale Advisor's fee structure negotiated by the Wabush CCAA Parties contemplates a monthly fee for a limited period of time (the "**Monthly Retainer Fee**") earned from the commencement date of the CCAA Proceedings, as well as fees payable upon the closing of any Transaction (the "**Transaction Fees**"). The Wabush CCAA Parties are of the view that this fee structure is reasonable in light of the prevailing market conditions.
66. Pursuant to the terms of the Engagement letter, the engagement of the Sale Advisor is retroactive to the date of the institution of the CCAA Proceedings, being January 27, 2015.
67. The Monitor has advised the Wabush CCAA Parties that it supports the Wabush CCAA Parties' engagement of the Sale Advisor pursuant to the terms set out in the Engagement Letter (Exhibit R-4A) subject to *nunc pro tunc* approval by this Court of the Engagement Letter as at the Wabush Filing Date as it relates to the Wabush CCAA Parties from and after the Wabush Filing Date, and that it will submit shortly a report with its recommendation that this engagement be approved by the Court.
68. The terms of the Engagement Letter as relates to the Wabush CCAA Parties are reasonable under the circumstances.

## 5.2 The Sale Advisor Charge

69. The Sale Advisor Order (Exhibit R-5) granted the Bloom Lake Sale Advisor Charge over the property of the Bloom Lake CCAA Parties securing the fees and expenses of the Sale Advisor payable by each Bloom Lake CCAA Party, to a maximum aggregate amount of USD \$8 million.
70. Similarly, the Wabush CCAA Parties hereby seek an equivalent charge in favour of the Sale Advisor over the Property of the Wabush CCAA Parties, on a several basis, securing only those fees and expenses payable by each Wabush CCAA Party, to a maximum aggregate amount of USD \$5 million as security for the Monthly Retainer Fee, Transaction Fees (as each such term is defined in the Engagement Letter) and expenses reimbursable pursuant to the Engagement Letter by the Wabush CCAA Parties (Exhibit R-4A) (the "**Wabush Sale Advisor Charge**").

---

<sup>3</sup> Defined as the orderly restructuring of the business and financial affairs of the Wabush CCAA Parties (para. 33 of the Wabush Initial Order).



71. The Engagement Letter provides that the Wabush CCAA Parties, if they become party to the CCAA Proceedings, are required to use their reasonable best efforts to obtain a charge over the property of the Wabush CCAA Parties securing the Monthly Retainer Fee, Transaction Fees and expenses reimbursable pursuant to the Engagement Letter payable by each Wabush CCAA Party, on a several basis, with such charge having priority over all claims of unsecured creditors of such Wabush CCAA Parties, but to be subordinated to the CCAA Charges and all secured claims.
72. The Wabush Sale Advisor Charge, if granted, would be limited to a maximum of USD \$5 million, being the maximum amount of the Transaction Fees that could become payable by the Wabush CCAA Parties under the Engagement Letter.
73. In light of the Monthly Retainer Fee and the Transaction Fees provided for in the Engagement Letter (Exhibit R-4A), a Wabush Sale Advisor Charge of USD \$5 million is reasonable under the circumstances.
74. The Monitor has advised the Wabush CCAA Parties that it supports the creation of the Wabush Sale Advisor Charge.
75. The Court's *nunc pro tunc* approval of the Engagement Letter (Exhibit R-4A) as at the Wabush Filing Date in respect of the Wabush CCAA Parties from and after the Wabush Filing Date and creation of the Wabush Sale Advisor Charge are essential to allow the Wabush CCAA Parties to continue to work with the Sale Advisor to analyze and explore all available options and to successfully implement and execute the SISP in order to arrive at the best result for all interested parties.

## **6. SUSPENSION OF CERTAIN PENSION PAYMENTS AND OPEBs**

### **6.1 Pension Plans**

#### **6.1.1 Defined Contribution Schemes**

76. The pension plans for salaried employees at the Wabush Mine hired on or after January 1, 2013 are defined contribution schemes.
77. Wabush Mines JV is the administrator of these defined contribution schemes.
78. Contributions under the defined contribution scheme are paid with each payroll. The defined contribution schemes also includes an employer matching provision whereby the employer contributes up to 6% of each employee's eligible wages with each payroll.
79. All employee and employer contributions are paid current and future contribution amounts have been included in the Wabush CCAA Parties' weekly cash flow forecast to August 14, 2015, as filed in support of the motion for the Wabush Initial Order (as such cash flow forecast may be amended from time to time, the "**May 18 Forecast**") and communicated herewith as **Exhibit R-18**.

#### **6.1.2 Defined Benefit Plans**

80. As described in the motion for the Wabush Initial Order, the pension plan for salaried employees at the Wabush Mine and the Pointe-Noire Port hired before January 1, 2013

is a defined benefit plan and is called the Contributory Pension Plan for Salaried Employees of Wabush Mines JV, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company (the "**Salaried DB Plan**").

81. The pension plan for unionized hourly employees at the Wabush Mine and Pointe-Noire Port is also a defined benefit plan and is called the Pension Plan for Bargaining Unit Employees of Wabush Mines JV, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company (the "**Hourly DB Plan**" and together with the Salaried DB Plan, the "**DB Plans**").
82. Wabush Mines JV is the administrator of the DB Plans.
83. Based on estimates received from the Wabush CCAA Parties' pension consultant, the Wabush CCAA Parties believe the estimated wind-up deficiencies for the DB Plans as at January 1, 2015 to be a total of approximately \$41.5 million, consisting of approximately \$18.2 million for the Salaried DB Plan and approximately \$23.3 million for the Hourly DB Plan.
84. The Interim Lender is only prepared to make advances under the Interim Facility pursuant to the Interim Financing Term Sheet if there is an order of the Court granting priority to the Interim Lender Charge over all Encumbrances other than Permitted Priority Liens (as defined in the Interim Financing Term Sheet), including over deemed trusts that may exist in respect of pension obligations under the *Pension Benefits Act, 1997* (Newfoundland and Labrador) or any other applicable legislation.
85. All monthly normal cost and amortization payments in respect of the DB Plans for January through April, 2015 have been paid in full.
86. The monthly normal cost payments for the DB Plans for 2015 based on a valuation as at January 1, 2014 (the "**2014 Valuation**") are approximately \$50,494.83 (Hourly DB Plan) and \$41,931.25 (Salaried DB Plan) for a total monthly normal cost payment of \$92,46.08 (the "**Normal Cost Payments**"). The Normal Cost Payments are included in the May 18 Forecast.
87. The Wabush CCAA Parties are also paying monthly amortization payments based on the 2014 Valuation of \$393,337.00 (Hourly DB Plan) and \$273,218.58 (Salaried DB Plan) for a total monthly amortization payment of \$666,555.58 (the "**Monthly Amortization Payments**").
88. In addition to the Monthly Amortization Payments, the Wabush CCAA Parties are also required to make a lump sum "catch-up" amortization payment (the "**Yearly Catch Up Amortization Payment**") for the DB Plans estimated to be approximately \$5.5 Million due in July 2015.
89. The Wabush CCAA Parties do not have any funding available to continue to pay the Monthly Amortization Payments or to pay the Yearly Catch-Up Amortization Payment due in July 2015 as the Interim Financing Term Sheet prohibits such payments post-filing.

90. As a result, the Wabush CCAA Parties will not be making the Monthly Amortization Payments or the Yearly Catch Up Amortization Payment, as they had indicated in their motion for the Wabush Initial Order.
91. In light of the foregoing, the Wabush CCAA Parties hereby seek an order from the Court suspending the payment of the Monthly Amortization Payments and the Yearly Catch Up Amortization Payment *nunc pro tunc* to the Wabush Filing Date.

### **6.1.3 Other Post-Retirement Benefits**

92. The Wabush CCAA Parties currently provide OPEBs, including life insurance and health care, to former hourly and salaried employees hired before January 1, 2013, which vary based on whether retirees were formerly members of a bargaining unit or were non-unionized salaried employees.
93. Approximately 933 retired employees and 16 active employees are currently fully eligible for retirement benefits.
94. As of December 31, 2014, accumulated benefits obligations for post-retirement benefits (“**ABO**”) totaled approximately \$52.1 million.
95. The premiums required to fund the foregoing OPEBs are approximately \$182,000 a month.
96. In addition to the foregoing, there is a supplemental retirement arrangement plan (the “**SRA**”) for certain current and former salaried employees of Wabush Mines JV. The obligations under the SRA are approximately \$1.01 million.
97. The Wabush CCAA Parties do not have any funding available to continue to pay any of the foregoing OPEBs, including the SRA obligations, as the Interim Financing Term Sheet prohibits such payments.
98. As a result, no payments on account of the OPEBs are included in the May 18 Forecast.
99. In light of the foregoing, the Wabush CCAA Parties hereby seek an order from the Court suspending the payment of the OPEBs *nunc pro tunc* to the Wabush Filing Date.

## **7. EXTENSION OF THE WABUSH STAY PERIOD**

100. The issuance of the Wabush Initial Order brought the Wabush CCAA Parties into the CCAA Proceedings which were already ongoing in respect of the Bloom Lake CCAA Parties.
101. The extension of the Wabush Stay Period to July 31, 2015 will make the Wabush Stay Period concurrent with the Bloom Lake Stay Period, and will allow for better streamlining, coordination and efficiency of the CCAA Proceedings.
102. Since the issuance of the Wabush Initial Order, the Wabush CCAA Parties have acted and continue to act in good faith and with due diligence.

103. Since the commencement of the CCAA Proceedings in respect of the Wabush CCAA Parties, the Wabush CCAA Parties have, with the assistance of and in consultation with the Monitor:
- a) met regularly with the Monitor and provided the Monitor with full co-operation and complete access to the Wabush CCAA Parties' Property, premises and books and records;
  - b) implemented procedures for the monitoring of the Wabush CCAA Parties' operations and financial circumstances, including receipts and disbursements;
  - c) held meetings and discussions with certain of the Wabush CCAA Parties' creditors, suppliers and other stakeholders;
  - d) in consultation with and with the assistance and consent of the Monitor delivered the following notices of disclaimer or:
    - i) 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);
    - ii) Rental Agreement with reference number S75794 dated June 20, 2012 between Wabush Mines JV, and Groupe CLR (as may be amended, restated, supplemented or modified); and
    - iii) a rail transportation agreement which includes a provision to the effect that its terms shall be kept confidential;
  - e) communicated and will continue to communicate on an ongoing basis with employees of the Wabush CCAA Parties with respect to the CCAA Proceedings, providing written materials (in both French and English) and advising employees with respect to the Monitor's website, hotline and mailbox so that employees can obtain additional information and/or contact the Wabush CCAA Parties or the Monitor directly;
  - f) continued to carry out the SISF, in collaboration with the Bloom Lake CCAA Parties and with assistance of the Monitor and the Sale Advisor, and prepared the present Motion to, *inter alia*, obtain *nunc pro tunc* approval for SISF and the engagement of the Sale Advisor and to amend the SISF as at the Wabush Filing Date as relates to the Wabush CCAA Parties; and
  - g) responded to stakeholders' inquiries and various claims and correspondence.

104. It is respectfully submitted that the extension of the Wabush Stay Period to July 31, 2015 is required to provide all CCAA Parties with sufficient time to complete the next phase of the SISP and pursue their on-going Restructuring.
105. The deadline in the SISP for Qualified Phase I Bidders to submit a binding Sale Proposal or Investment Proposal has been set at 5:00 p.m. (Montréal Time) on July 16, 2015.
106. It is anticipated that the requested extension of the Stay Period until July 31, 2015, will afford the Wabush CCAA Parties sufficient time to achieve these objectives.
107. The Monitor has advised the Wabush CCAA Parties that its report will include, *inter alia*, the Monitor's support for the requested extension of the Wabush Stay Period, and for the suspension of the Monthly Amortization Payments, the Yearly Catch Up Amortization Payment or OPEBs.
108. The Monitor's report will also include the Wabush CCAA Parties' May 18 Forecast. Based on the May 18 Forecast and subject to the underlying assumptions therein, including in particular the suspension of Monthly Amortization Payments, the Yearly Catch Up Amortization Payment and OPEBs, the Wabush CCAA Parties believe that there is sufficient liquidity to fund their participation in these CCAA Proceedings until July 31, 2015.
109. The May 18 Forecast does not include payment of equipment financing or leases, the Monthly Amortization Payments, the Yearly Catch Up Amortization Payment or OPEBs.
110. It is the position of the Wabush CCAA Parties that no parties will be materially prejudiced by the extension of the Stay Period and that the extension sought is appropriate under the present circumstances.
111. In light of the foregoing, the Wabush CCAA Parties respectfully ask this Court to extend the Wabush Stay Period to July 31, 2015, the whole subject to all other terms of the Wabush Initial Order and the order to be rendered hereon.

## 8. CONCLUSIONS

112. In light of the foregoing, the Wabush CCAA Parties hereby seek the issuance of an Order substantially in the form of the draft Order communicated herewith as **Exhibit R-19**, which provides for, *inter alia*:
  - a) amending the Wabush Initial Order to grant priority to the Wabush CCAA Charges ahead of all Encumbrances affecting the Property of the Wabush CCAA Parties whether or not charged by said Encumbrances;
  - b) *nunc pro tunc* approval of the terms of the SISP as at the Wabush Filing Date as it relates to the Wabush CCAA Parties, and *nunc pro tunc* authorization and direction of the Wabush CCAA Parties, the Monitor and the Sale Advisor as at the Wabush Filing Date to take such steps as they consider necessary or desirable in carrying out the SISP as relates to the Wabush CCAA Parties in accordance with its terms;

- c) *nunc pro tunc* approval of the Engagement Letter (Exhibit R-4A) as at the Wabush Filing Date as relates to the Wabush CCAA Parties, which Engagement Letter by its terms is effective from and after January 27, 2015;
  - d) amending the Wabush Initial Order to create the Wabush Sale Advisor Charge;
  - e) amending and restating the Initial SISP to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings, in the form the SISP (as Exhibit R-9);
  - f) suspending the payment of the Monthly Amortization Payments, the Yearly Catch Up Amortization Payment and other OPEBs by the Wabush CCAA Parties *nunc pro tunc* to the Wabush Filing Date;
  - g) extending the Wabush Stay Period to July 31, 2015; and
  - h) the issuance of an Amended Initial Order in respect of the Wabush CCAA Parties, reflecting any amendments to the Wabush Initial Order to be ordered by the Court herein.
113. The Wabush CCAA Parties submit further that the notices given of the presentation of the present Motion are proper and sufficient.
114. The Monitor supports the present Motion.
115. The present Motion is well founded in fact and in law.

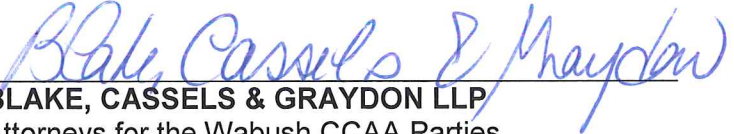
**FOR THESE REASONS, MAY IT PLEASE THE COURT TO:**

**GRANT** the present Motion;

**ISSUE** an order in the form of the draft Order communicated in support hereof as Exhibit R-19;

**WITHOUT COSTS**, save and except in case of contestation.

Montréal, May 29, 2015

  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Wabush CCAA Parties

**AFFIDAVIT**

I, the undersigned, **CLIFFORD T. SMITH**, the President of the Wabush CCAA Parties Wabush Resources Inc. and Wabush Iron Co. Limited, and Vice-President of the Mises-en-Cause Arnaud Railway Company and Wabush Lake Railway Company Limited, each having a place of business at 1155 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 in Respect of the Wabush CCAA Parties (1) Granting Priority to Certain CCAA Charges, (2) Approving a Sale and Investor Solicitation Process Nunc Pro Tunc, (3) Authorizing the Engagement of a Sale Advisor Nunc Pro Tunc, (4) Granting a Sale Advisor Charge, (5) Amending the Sale and Investor Solicitation Process, (6) Suspending the Payment of Certain Pension Amortization Payments and Post-Retirement Employee Benefits, (7) Extending the Stay of Proceedings, and (8) Amending the Wabush Initial Order*, are true.

AND I HAVE SIGNED:



\_\_\_\_\_  
**CLIFFORD T. SMITH**

SOLEMNLY DECLARED before me  
at Cleveland, Ohio,  
this 29<sup>th</sup> day of May, 2015



\_\_\_\_\_  
Notary Public

**Irene Sisamis**  
**Notary Public**  
**State of Ohio**  
My Commission Expires  
September 14, 2019





**NOTICE OF PRESENTATION**

**TO: Service List**

**TAKE NOTICE** that the present *Motion for the Issuance of an Order in Respect of the Wabush CCAA Parties (1) Granting Priority to Certain CCAA Charges, (2) Approving a Sale and Investor Solicitation Process Nunc Pro Tunc, (3) Authorizing the Engagement of a Sale Advisor Nunc Pro Tunc, (4) Granting a Sale Advisor Charge, (5) Amending the Sale and Investor Solicitation Process, (6) Suspending the Payment of Certain Pension Amortization Payments and Post-Retirement Employee Benefits, (7) Extending the Stay of Proceedings, and (8) Amending the Wabush Initial Order* 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 **June 9, 2015 at 9:15 a.m.**, in a room to be determined.

**DO GOVERN YOURSELF ACCORDINGLY.**

Montréal, May 29, 2015

  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Wabush CCAA Parties



CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**SUPERIOR COURT**

Commercial Division

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

---

N<sup>o</sup>: 500-11-048114-157

**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

**MOELIS & COMPANY LLC**

Mise-en-cause

---

**LIST OF EXHIBITS**

*(In support of Motion for the Issuance of an Order in Respect of the Wabush CCAA Parties (1) Granting Priority to Certain CCAA Charges, (2) Approving a Sale and Investor Solicitation Process Nunc Pro Tunc, (3) Authorizing the Engagement of a Sale Advisor Nunc Pro Tunc, (4) Granting a Sale Advisor Charge, (5) Amending the Sale and Investor Solicitation Process, (6) Extending the Stay of Proceedings, (7) Suspending the Payment of Certain Pension Amortization Payments and Post-Retirement Employee Benefits, and (8) Amending the Wabush Initial Order)*

---

R-1 Bloom Lake Initial Order rendered on January 27, 2015;

R-2 Bloom Lake Amended Initial Order rendered on February 20, 2015;

R-3 Stay Extension Order rendered on April 17, 2015;

- R-4 Redacted Sale Advisor Engagement Letter dated as of March 23, 2015;
- R-4A Unredacted Sale Advisor Engagement Letter dated as of March 23, 2015 (*under seal*);
- R-5 Sale Advisor Order rendered on April 17, 2015;
- R-6 Initial sale and investor solicitation procedures;
- R-7 SISP Order rendered on April 17, 2015;
- R-8 Wabush Initial Order rendered on May 20, 2015;
- R-9 Amended and restated sale and investor solicitation procedures;
- R-10 Blackline comparing Initial SISP against SISP;
- R-11 RPMRR (Québec) search results summary in respect of the movable Wabush Property;
- R-12 Real estate search report (Québec) in respect of the immovable Wabush Property;
- R-13 Table summarizing the Existing Construction Liens registered in Québec against the immovable Wabush Property;
- R-14 Legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable registered against immovable Wabush Property as of May 27, 2015, *en liasse*;
- R-15 Index of immovables for the relevant land files of the Land Register (Québec), *en liasse*;
- R-16 Personal Property Security Act (Ontario, Newfoundland and Labrador) and *Uniform Commercial Code* (Ohio) search results summary in respect of movable Wabush Property;
- R-17 Letter from Sale Advisor;
- R-18 May 18 Forecast;
- R-19 Draft Order.

The exhibits are available at the following link:

<https://blakes.sharefile.com/d-s8a646e627ff44069>

Montréal, May 29, 2015

  
**BLAKE, CASSELS & GRAYDON LLP**  
Attorneys for the Wabush CCAA Parties

---

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

---

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

**BLOOM LAKE GENERAL PARTNER LIMITED & ALS**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED  
PARTNERSHIP & ALS**

Mises-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

---

**MOTION FOR THE ISSUANCE OF AN ORDER IN  
RESPECT OF THE WABUSH CCAA PARTIES (1)  
GRANTING PRIORITY TO CERTAIN CCAA CHARGES,  
(2) APPROVING A SALE AND INVESTOR**

**SOLICITATION PROCESS *NUJC PRO TUNC*, (3)  
AUTHORIZING THE ENGAGEMENT OF A SALE  
ADVISOR *NUJC PRO TUNC*, (4) GRANTING A SALE  
ADVISOR CHARGE, (5) AMENDING THE SALE AND  
INVESTOR SOLICITATION PROCESS, (6)**

**SUSPENDING THE PAYMENT OF CERTAIN PENSION  
AMORTIZATION PAYMENTS AND POST-RETIREMENT  
EMPLOYEE BENEFITS, (7) EXTENDING THE STAY OF  
PROCEEDINGS, AND (8) AMENDING THE WABUSH**

**INITIAL ORDER ACCORDINGLY  
AFFIDAVIT AND LIST OF EXHIBITS**

---

**ORIGINAL**



**M<sup>re</sup> Bernard Boucher**      **BB-8098**

**BLAKE, CASSELS & GRAYDON LLP**

Barristers & Solicitors

600 de Maisonneuve Blvd. West, Suite 2200

Montréal, Québec H3A 3J2

Telephone: 514-982-4006

Fax: 514-982-4099

Email: [bernard.boucher@blakes.com](mailto:bernard.boucher@blakes.com)

Our File: 11573-365