

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

MOTION FOR THE ISSUANCE OF AN ORDER EXTENDING THE STAY PERIOD¹
(Sections 4.5, 6, and 11 of the *Companies' Creditors Arrangement Act*)

¹ Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bloom Lake Initial Order (as defined herein) and the Wabush Initial Order (as defined herein).

TO THE HONOURABLE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTRÉAL, THE PETITIONERS AND THE MISES-EN-CAUSE SUBMIT:

1. BACKGROUND

1. On January 27, 2015, Mr. Justice Martin Castonguay, J.S.C., issued an Initial Order (as subsequently amended, rectified and/or restated, the “**Bloom Lake Initial Order**”) commencing these proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) in respect of the Petitioners Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation, 8568391 Canada Limited (“**8568391**”) and Cliffs Québec Iron Mining ULC (“**CQIM**”) and the Mises-en-cause The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”) and Bloom Lake Railway Company Limited (“**BLRC**”) (collectively, the “**Bloom Lake CCAA Parties**”), as appears from the Initial Order dated January 27, 2015, which forms part of the Court record.
2. Pursuant to the Bloom Lake Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor to the businesses and financial affairs of the Bloom Lake CCAA Parties (the “**Monitor**”) and a stay of proceedings was ordered in respect of the Bloom Lake CCAA Parties until February 26, 2015 (the “**Bloom Lake Stay Period**”).
3. The Bloom Lake Stay Period was extended by order of the Court from time-to-time, as appears from the Court record.
4. On April 17, 2015, Mr. Justice Stephen W. Hamilton, J.S.C., issued, *inter alia*, the following orders:
 - a) an Order (the “**Sale Advisor Order**”), *inter alia*, authorizing the engagement of Moelis & Company LLC as the Bloom Lake CCAA Parties’ mergers and acquisitions financial advisor (the “**Sale Advisor**”), as appears from a copy of the Sale Advisor Order, which forms part of the Court record; and
 - b) an Order (the “**SISP Order**”), *inter alia*, approving sale and investor solicitation procedures (the “**Initial SISP**”) in respect of the Bloom Lake CCAA Parties, as appears from a copy of the SISP Order, which forms part of the Court record.
5. On May 20, 2015, Mr. Justice Hamilton issued an Initial Order (as subsequently amended, rectified and/or restated the “**Wabush Initial Order**”) extending the scope of the CCAA Proceedings to the Petitioners Wabush Iron Co. Limited (“**Wabush Iron**”) and Wabush Resources Inc. (“**Wabush Resources**”) and the Mises-en-cause Wabush Mines and Arnaud (collectively, the “**Wabush CCAA Parties**”, and collectively with the Bloom Lake CCAA Parties, the “**CCAA Parties**”), the whole as appears from the Court record.
6. Pursuant to the Wabush Initial Order, *inter alia*, the Monitor was appointed as the monitor to the businesses and financial affairs of the Wabush CCAA Parties and a stay of proceedings was granted until June 19, 2015 (the “**Wabush Stay Period**”; collectively with the Bloom Lake Stay Period, the “**Stay Period**”).
7. On June 9, 2015, Mr. Justice Hamilton, issued an order (the “**Wabush Comeback Order**”), *inter alia*:

- a) extending the Wabush Stay Period to July 31, 2015;
- b) approving the Initial SISP as it relates to the Wabush CCAA Parties, *nunc pro tunc* to the date of the Wabush Initial Order, authorizing the amendment and restatement of the Initial SISP, and approving the amended and restated sale and investor solicitation procedures (the “**SISP**”); and
- c) approving the engagement of the Sale Advisor as it relates to the Wabush CCAA Parties, *nunc pro tunc* to the date of the Wabush Initial Order;

the whole as appears from a copy of the Wabush Comeback Order, which forms part of the Court record.

8. On November 5, 2015, Mr. Justice Hamilton issued an order (as amended by an order of the Court issued on November 16, 2015 and as further amended from time to time, the “**Amended Claims Procedure Order**”), *inter alia*:
 - a) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers; and
 - b) ordering the extinguishment of all Claims, D&O Claims and Restructuring Claims (as each such term is defined in the Amended Claims Procedure Order) not filed in accordance with the applicable deadlines set out in the Amended Claims Procedure Order.
9. The Stay Period has been extended by order of the Court from time to time, most recently on November 13, 2017, and currently expires on March 30, 2018, as appears from the Court record.

2. ORDER SOUGHT

10. On this Motion, the CCAA Parties hereby seek the issuance of an Order which provides for the extension of the Stay Period in respect of the CCAA Parties until June 29, 2018, substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Draft Stay Extension Order**”).

3. THE RESTRUCTURING TERM SHEET²

3.1 Background

11. Over the course of these CCAA Proceedings, the CCAA Parties have undertaken extensive efforts to maximize the value of their assets for the benefit of all creditors.
12. With the completion of the sale of the Scully Mine in July 2017, asset realizations by the CCAA Parties are substantially complete, subject to miscellaneous residual assets and the collection of potential tax refunds.

² All capitalized terms used in this Section not otherwise defined herein shall have the meaning ascribed to them in the Restructuring Term Sheet.

13. With the exception of certain sale proceeds distributed, or to be distributed, to parties with proven secured claims or other proven priority claims and amounts expended on operating costs and the fees and expenses of these CCAA Proceedings, the Monitor currently holds the net sale proceeds from these transactions determined in accordance with the Allocation Methodology (as defined below), as may be amended by the final determination of the Fermont Appeal (as defined below), together with any cash on hand at the commencement of these CCAA Proceedings that has not been expended and accrued interest on the foregoing.
14. As at the date hereof, the following material outstanding items remain to be completed in the CCAA Proceedings:
 - a) resolution of any claims that may exist against Cleveland-Cliffs Inc. (the “**Parent**”) and its former and current direct and indirect subsidiaries and affiliates (collectively, with the Parent, the “**Non-Filed Affiliates**”), including (without limitation) in respect of the following matters as identified by the Monitor in its Twelfth Report and Nineteenth Report:
 - i) a series of reorganization transactions entered into between certain of the CCAA Parties and certain Non-Filed Affiliates in December 2014 involving a cash payment of US\$142 million by CQIM and a transfer of the Australian subsidiaries of CQIM; and
 - ii) certain other payments made by the CCAA Parties to certain Non-Filed Affiliates during the statutory review period provided under Sections 95 and 96 of the *Bankruptcy and Insolvency Act* (Canada) and Section 36.1 of the CCAA on account of debts owing to those certain Non-Filed Affiliates in an aggregate amount of approximately US\$30.6 million,

(together, the “**Non-Filed Affiliate Transaction Matters**”);
 - b) resolution of the quantum of remaining claims, including material claims of certain Non-Filed Affiliates and certain CCAA Parties, that have not yet been Finally Determined in accordance with Amended Claims Procedure Order;
 - c) determining the proper characterization of claims of certain Non-Filed Affiliates and certain CCAA Parties filed pursuant to the Amended Claims Procedure Order;
 - d) resolution of priority arguments asserted pursuant to the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Standards Act* (Canada) and the *Supplemental Pension Plans Act* (Québec) in connection with the claims arising from any failure of the Wabush CCAA Parties to make certain normal course payments or special payments under the Wabush CCAA Parties’ pension plans and for the wind-up deficit under the Wabush CCAA Parties’ pension plans (the “**Pension Priority Proceedings**”); and

- e) distribution of the net proceeds of asset realizations, the remaining balance of cash on hand at the commencement of the CCAA Proceedings, and accrued interest on the foregoing, as determined in accordance with the Allocation Methodology, as may be amended by the final determination of the Fermont Appeal, by way of interim distributions, as expeditiously as possible, and by way of final distributions after completion of all remaining matters in the CCAA Proceedings.
15. Over the past several months, the Monitor has engaged in negotiations with the Non-Filed Affiliates with a view to resolving potential claims of the CCAA Parties against certain of the Non-Filed Affiliates, as well as the claims of the Non-Filed Affiliates against the CCAA Parties.
 16. The Monitor's negotiations with the Non-Filed Affiliates have culminated in the execution of a restructuring term sheet between the CCAA Parties and the Non-Filed Affiliates dated March 14, 2018 (as may be amended, restated and supplemented from time to time, the "**Restructuring Term Sheet**"), communicated herewith as **Exhibit R-2**.
 17. The Monitor has informed the CCAA Parties that during the negotiation process with the Non-Filed Affiliates, the Monitor consulted with Quebec North Shore And Labrador Railway Company, Inc. ("**QNS&L**"), the largest single third party unsecured creditor of CQIM, BLGP, BLLP, Wabush Iron, Wabush Resources and Wabush Mines, regarding the potential terms of settlement of the claims and potential claims relating to the Non-Filed Affiliates that QNS&L would be prepared to support.
 18. The Restructuring Term Sheet contemplates that the CCAA Parties, other than 8568391 and BLRC (as the remaining CCAA Parties may be consolidated in the Proposed Plan (as defined below), the "**Participating CCAA Parties**"), with the support of the Monitor and the Non-Filed Affiliates, will present a joint plan of compromise and arrangement to the unsecured creditors of each Participating CCAA Party (the "**Proposed Plan**"). Drafts of the Proposed Plan and the ancillary court orders, a draft Plan Filing and Meetings Order, a draft form of Sanction Order and a draft Post-Filing Claims Procedure Order necessary to implement that Proposed Plan, are in progress. The CCAA Parties are hopeful that they will be in a position to finalize the Proposed Plan and ancillary court orders in the short term.
 19. The Restructuring Term Sheet does not propose that the Petitioners, 8568391 and BLRC, participate in the Proposed Plan because they do not have any creditors as determined by the Claims Process conducted pursuant to the Amended Claims Procedure Order.
 20. The Proposed Plan will seek to implement the principal terms of the Restructuring Term Sheet. The Proposed Plan will resolve the above-described outstanding matters, with the exception of the Pension Priority Proceedings. The Proposed Plan will not determine the issues relating to the pension claims that are the subject matter of the Pension Priority Proceedings; however, the Proposed Plan will govern the treatment of the pension claims for voting and distribution purposes, in the case of the latter when the aforesaid issues are finally determined.
 21. The CCAA Parties are not seeking Court approval of the Restructuring Term Sheet as the affected creditors under the Proposed Plan will be able to vote their approval or

disapproval of the Proposed Plan at meetings of creditors and the Proposed Plan will be subject to Court approval at a sanction hearing if approved by affected creditors.

22. Pursuant to the Restructuring Term Sheet, if approved, sanctioned and implemented, the Proposed Plan will:
 - a) resolve significant intercompany claims between the CCAA Parties and between the CCAA Parties and Non-Filed Affiliates without the significant time and expense that would otherwise be incurred;
 - b) resolve potential claims between the CCAA Parties and Non-Filed Affiliates, including the Non-Filed Affiliate Transaction Matters, without the significant time and expense of litigation and the litigation risks associated therewith;
 - c) provide significant additional monetary recovery to affected third party unsecured creditors;
 - d) accelerate a timely distribution to affected third party unsecured creditors of the Bloom Lake CCAA Parties, as soon as reasonably practicable after implementation of the Proposed Plan; and
 - e) accelerate a timely distribution to affected third party unsecured creditors of the Wabush CCAA Parties, as soon as reasonably practicable after the Pension Priority Proceedings are finally determined.
23. A critical component of the Proposed Plan is the involvement of the Non-Filed Affiliates as Plan Sponsors. The Non-Filed Affiliates are significant creditors of the Participating CCAA Parties having filed claims pursuant to the Amended Claims Procedure Order in the aggregate amount of approximately \$199 million of secured claims and approximately \$2.02 billion of unsecured claims against the Participating CCAA Parties as summarized in the Monitor's Thirty-Ninth Report dated September 11, 2017.
24. Pursuant to the Restructuring Term Sheet, if the Proposed Plan is approved and implemented, the Non-Filed Affiliates will provide significant benefits to the Participating CCAA Parties' estates that will significantly increase recoveries for third party unsecured creditors with proven claims.
25. In consideration of the proposed consideration by the Non-Filed Affiliates under the Proposed Plan and acting as Plan Sponsors, the Restructuring Term Sheet provides that under the Proposed Plan the Non-Filed Affiliates will receive full and final releases of matters relating to the CCAA Parties, as will be set out in more detail in the Proposed Plan when filed.
26. The Restructuring Term Sheet provides that the defendants named in class action proceedings filed in the Supreme Court of Newfoundland and Labrador on behalf of former salaried and union employees will not be released from the claims asserted in those class action proceedings under the Proposed Plan.

3.2 Proposed Limited Substantive Consolidation

27. The Restructuring Term Sheet provides for a joint plan that provides for distinct distributions with respect to Affected Unsecured Creditors of each Participating CCAA Party without substantive consolidation, except with respect to the proposed consolidation for the purposes of the Plan of the following Participating CCAA Parties: (i) CQIM and Quinto (the “**CQIM/Quinto Parties**”); (ii) BLGP and BLLP (the “**Bloom Lake Parties**”); and (iii) Wabush Iron, Wabush Resources and Wabush Mines (the “**Wabush Mines Parties**”). Arnaud and Wabush Lake are not proposed to be consolidated under the Proposed Plan. However, the Restructuring Term Sheet provides that the foregoing limited substantive consolidations may be amended by the Participating CCAA Parties with the consent of the Monitor and the Parent, acting reasonably.
28. The rationale for the proposed consolidation of certain of the Participating CCAA Parties will be explained in the CCAA Parties’ motion seeking the issuance of a Plan Filing and Meetings Order which they hope to be filed in the short term.

3.3 Proposed Plan Contributions of Plan Sponsors

29. Pursuant to the Restructuring Term Sheet, if the Proposed Plan is approved and implemented, the Non-Filed Affiliates, as Plan Sponsors, have agreed to provide significant benefits to third party unsecured creditors with proven claims. These benefits consist of the following:
- a) the Parent and certain other Non-Filed Affiliates as the Non-Filed Affiliates may determine, will agree to provide a cash contribution to fund additional distributions to third party unsecured creditors of the Participating CCAA Parties under the Proposed Plan in the amount of C\$5 million (the “**Non-Filed Affiliate Cash Contribution**”), which will be allocated to the Unsecured Creditor Classes as follows: C\$4 million to the Unsecured Creditor Class for CQIM/Quinto Parties and C\$1 million to be allocated to the other Unsecured Creditor Classes pro-rata based upon the proven affected unsecured claims in each such other Unsecured Creditor Class (excluding the claims of the Non-Filed Affiliates against each such Participating CCAA Party (all such Non-Filed Affiliate unsecured claims being the “**Non-Filed Affiliate Unsecured Interco Claims**”) and the claims of the CCAA Parties); and
 - b) the Parent and the other Non-Filed Affiliates will also agree to forego the benefit of any amounts otherwise payable or distributable to them under the Proposed Plan on account of Non-Filed Affiliate Unsecured Interco Claims and the benefit of any amounts they are otherwise entitled to receive on account of their secured claims against the Participating CCAA Parties and such amounts shall be made available for distribution to other creditors of the CQIM/Quinto Parties.
30. The Non-Filed Affiliate Cash Contribution shall only be available to third party unsecured creditors of the Participating CCAA Parties with proven claims and will not be available for distribution in respect of any deemed trust or other priority claims that may be asserted against the Participating CCAA Parties, including in connection with the Pension Priority Proceedings.

3.4 Proposed Plan Distributions to Affected Unsecured Creditors

31. Pursuant to the Restructuring Term Sheet, distributions under the Proposed Plan in respect of proven affected third party unsecured claims against the Bloom Lake CCAA Parties who are participating in the Proposed Plan will begin as soon as practicable after the Proposed Plan is implemented.
32. Distributions under the Proposed Plan in respect of proven affected unsecured claims against the Wabush CCAA Parties, including any proven affected third party unsecured creditors and Non-Filed Affiliate Unsecured Interco Claims, will be made as soon as practicable only after the final determination of the issues relating to the pension claims that are the subject matter of the Pension Priority Proceedings.

3.5 Proposed Payments to Third Party Secured Creditors

33. Under the Restructuring Term Sheet it is proposed that third party secured creditors holding proven secured claims, over an asset of the Participating CCAA Parties (other than the Wabush CCAA Parties) will be paid the amount of the sale proceeds realized from such asset, net of costs allocated to such asset pursuant to the Allocation Methodology approved by order of the Court in these CCAA Proceedings, as soon as practicable following the implementation of the Proposed Plan.
34. Distributions to third party secured creditors holding proven secured claims over an asset of the Wabush CCAA Parties will be made as soon as practicable only after the final determination of the issues relating to pension claims in the Pension Priority Proceedings.

3.6 Conditions and Termination Rights under the Restructuring Term Sheet

35. Pursuant to the Restructuring Term Sheet, the Proposed Plan is subject to definitive documentation on terms acceptable to the Participating CCAA Parties, the Monitor and the Parent, each in their sole discretion, and consistent with the terms of the Restructuring Term Sheet.
36. Under the Restructuring Term Sheet, any party to the Restructuring Term Sheet may terminate the Restructuring Term Sheet if (a) the CCAA Parties have not filed a motion seeking the issuance of a Plan Filing and Meetings Order on or before March 30, 2018, or such later date as may be agreed to by the Monitor, the Participating CCAA Parties and the Parent, or (b) other than as a result of a breach by such party of its obligations under the Restructuring Term Sheet, the Proposed Plan is not implemented on or before June 29, 2018, or such later date as may be agreed to by the Monitor, the Participating CCAA Parties and the Parent.
37. If the Restructuring Term Sheet is terminated as provided in the Restructuring Term Sheet, the obligations of the parties thereunder (other than with respect to the return of the Non-Filed Affiliate Cash Contribution delivered to the Monitor pursuant to the Restructuring Term Sheet and the Proposed Plan) shall be at an end and no party shall have any liability thereunder.

4. EXTENSION OF THE STAY PERIOD

4.1 Remaining Employee Homes

38. There remains 8 employee homes in the Town of Wabush that remain unsold (the “**Remaining Employee Homes**”), 7 of which are occupied by former employees subject to purchase agreements in the nature of conditional sale agreements (the “**Conditional Sale Agreements**”) and 1 of which was occupied by a former employee pursuant to a Conditional Sale Agreement but that employee home is now vacant. The former employee of that home handed over the keys to such home to Wabush Resources and Wabush Iron in the Fall of 2017.
39. Wabush Resources and Wabush Iron, with the Monitor’s consent, have agreed in principle to the terms of a sale of the Remaining Homes to a potential purchaser, subject to definitive agreements. Transaction documents are in progress and Wabush Resources and Wabush Iron are hopeful to be in a position to finalize negotiations on the definitive documents and close the transaction prior to the implementation of the Proposed Plan.

4.2 The Monitor’s Motion for Directions

40. As was previously reported to this Court, on September 20, 2016, the Monitor served a motion seeking advice and directions with respect to pension claims asserted against certain of the Wabush CCAA Parties (the “**Motion for Directions**”). The jurisdictional aspect of the Motion for Directions was argued before this Court on December 20, 2016, and the Court issued its decision on same on January 30, 2017.
41. The hearing on the remaining substantive issues raised by the Motion for Directions was held before this Court on June 28 and June 29, 2017, and a decision was released on same on September 11, 2017 (the “**Pension Priority Decision**”).
42. Motions for leave to appeal the Pension Priority Decision were filed on October 2, 2017 by the Office of the Superintendent of Financial Institutions, the Newfoundland and Labrador Superintendent of Pensions, the United Steelworkers and by the Representatives of the Salaried/Non-Union Employees of Retirees and were granted by on October 31, 2017 (the “**Leave to Appeal Motions**”). The hearing on the merits of the appeal is scheduled to occur June 11-12, 2018.
43. Following the decision of the Court on the jurisdictional aspect of the Motion for Directions, on May 5, 2017, the Government of Newfoundland and Labrador referred several questions to the Newfoundland and Labrador Court of Appeal (the “**NLCA**”) pursuant to the *Newfoundland and Labrador Judicature Act* (1990), as amended (the “**Reference**”). Each of the Monitor and the CCAA Parties filed a Notice of Intention to Intervene in the Reference proceedings.
44. In its Reference, the Government of Newfoundland and Labrador is seeking the NLCA’s interpretation of section 32 of the *Newfoundland and Labrador Pension Benefits Act* (1997), as amended (“**NPBA**”). Moreover, it has also asked the NLCA to determine, *inter alia*, (i) the applicability of the *Pension Benefits Act* (Canada) and of the *Supplemental Pension Act* (Québec) to the salaried pension plan and if applicable, the manner in which any conflict between such statutes and the NPBA should be resolved, (ii) whether

section 32(4) of the NPBA creates a valid secured claim in favor of the plan administrator and (iii) to determine the scope of said secured claim, if any.

45. The hearing of the NLCA on the merits of the Reference took place on September 21 and 22, 2017 and a decision was released on January 15, 2018 (the "**Reference Decision**").
46. Notices of appeal of the Reference Decision to the Supreme Court of Canada were filed by the Monitor and the City of Sept-Îles. Facta of the intervenors, including the CCAA Parties, are due no later than May 21, 2018. The hearing on the merits of the appeal is tentatively scheduled for October 17, 2018.

4.3 The Allocation Methodology Approval Motion

47. In order to determine the amounts available for distribution in each of the CCAA Parties' respective estates to their respective creditors, the Monitor, in consultation with the CCAA Parties, has developed and recommended a proposed methodology to allocate proceeds and costs among the CCAA Parties (the "**Allocation Methodology**").
48. On May 20, 2017, the CCAA Parties served a motion seeking the approval of the Allocation Methodology (the "**Allocation Methodology Approval Motion**").
49. On May 26, 2017, the City of Fermont filed an objection to the Allocation Methodology Approval Motion (the "**City of Fermont Objection**"), contesting the allocation of the proceeds from the sale by certain Bloom Lake CCAA Parties of the Bloom Lake Mine.
50. The Allocation Methodology Approval Motion and the City of Fermont Objection were heard before this Court on June 26, 2017.
51. On July 25, 2017, this Court released its decision on the Allocation Methodology Approval Motion, granting same and dismissing the objection of the City of Fermont (the "**Cost Allocation Order**").
52. On September 6, 2017, the City of Fermont filed a motion for leave to appeal of the Cost Allocation Order which was originally scheduled to be heard by the Court of Appeal on November 6, 2017.
53. On November 1, 2017, the City of Fermont filed an amended motion for leave to appeal of the decision on the Allocation Methodology Approval Motion, which was granted by the Court of Appeal on December 6, 2017 (the "**Fermont Appeal**").
54. The hearing on the merits of the Fermont Appeal took place on March 14, 2018. No decision has been issued by the Court as of the date of this Motion.

4.4 The MFC Litigation

55. Pursuant to the Order of this Court issued on December 4, 2015, Wabush Iron and Wabush Resources have made payments to the Monitor, in trust, in December 2015, January 2016, April 2016, July 2016, October 2016, January 2017 and April 2017 in respect of disputed post-filing amounts that may be potentially payable to 0778539 B.C. Ltd. (formerly MFC Bancorp Ltd.) ("**MFC**") pursuant to the Wabush Sub-Lease (the

“Disputed Post-Filing Royalty Payments”), pending a final determination by this Court of the post-filing amounts, if any, due to MFC (the **“MFC Post-Filing Royalty Litigation”**).

56. As set out in the Fortieth Report, in July 2017, following the closing of the Scully Mine Transaction, Wabush Iron and Wabush Resources deposited the Disputed Post-Filing Royalty Payment for the three months ended June 30, 2017 with the Monitor, in trust (the **“June 2017 Quarterly Payment”**).
57. The hearing on the merits of the MFC Post-Filing Royalty Litigation took place on December 4, 5, and 6, 2017. The MFC Motion to partially lift the Stay of proceedings was also heard at the same time.
58. On March 14, 2018, the Court's decision on the MFC Post-Filing Royalty Litigation was rendered. The Court found that the Disputed Post-Filing Royalty Payments held by the Monitor, in trust, could be remitted to the Wabush Mines' estate as such payments were not payable under the Wabush Sub-Lease.
59. With respect the determination of the respective obligations of Wabush Mines and Tacora Resources Inc. (**“Tacora”**), the purchaser of the Scully Mine, under the asset purchase agreement between, *inter alia*, Tacora and Wabush Mines, in respect of the June 2017 Quarterly Payment, the Court declined to comment further on that issue indicating that it would not be appropriate to do so as Tacora did not appear on the motion.

5. ARBITRATION RECOGNITION PROCEEDINGS INITIATED BY WORLDLINK RESOURCES LIMITED

60. On December 15, 2017, BLGP, BLLP and CQIM, were served with a Summons in a Civil Action commenced in the United States District Court for the Southern District of New York (the **“U.S. Court”**) in file bearing the caption *Worldlink Resources Ltd. V. Bloom Lake General Partner Ltd., et al.*, Civil Action No. 17 Civ. 8486 (AJN) (the **“Arbitration Recognition Proceedings”**) and instituted by Worldlink Resources Limited (**“Worldlink”**), the whole as more fully appears from a copy of said proceeding communicated herewith as **Exhibit R-3**.
61. This Arbitration Recognition Proceedings seeks the recognition of an arbitral award granted in favour of Worldlink in the amount of US\$71,074,689.16 with interest thereon (the **“Arbitration Award”**) and required a response from the BLGP, BLLP and CQIM (the **“Response”**) within 21 days of the receipt of the Arbitration Recognition Proceedings, being January 5, 2018.
62. The Arbitration Recognition Proceedings does not refer to or disclose the existence of the CCAA Proceedings.
63. In light of the above, on December 23, 2017, counsel for the CCAA Parties sent a letter to the attorneys acting on behalf of Worldlink in the Arbitration Recognition Proceedings, Clifford Chance US LLP (**“Clifford Chance”**), in order to obtain a confirmation that Worldlink would discontinue the Arbitration Recognition Proceedings within five days given the existing of these CCAA Proceedings and the Stay, the whole as more fully appears from a copy of this letter communicated herewith as **Exhibit R-4**.

64. In addition, counsel for the Monitor reached out to Me Bertrand Giroux at BCF, Québec counsel for Worldlink in the CCAA Proceedings, to try to obtain an explanation as to the basis upon which Worldlink filed the Arbitration Recognition Proceedings against CQIM, BLGP and BLLP notwithstanding the Stay.
65. Given the holiday season, it was agreed that an extension of time to file the Response until January 31, 2018 was appropriate, and the parties agreed to an extension to such date, the whole as more fully appears from a copy of the letter from Clifford Chance to the U.S. Court being communicated herewith as **Exhibit R-5**.
66. Prior to the extended Response date, counsel for the CCAA Parties in Montreal and New York engaged in further discussions with BCF and Clifford Chance, respectively. Counsel for CCAA Parties was advised that Worldlink was not agreeable to dismissing the Arbitration Recognition Proceedings entirely but would agree only to a stay thereof.
67. Although the parties were not able to reach agreement on a form of stipulation to be filed in the Arbitration Recognition Proceedings, they were able to reach agreement on the form of a letter to the U.S. Court dated January 31, 2018. In response, the Honorable Alison J. Nathan, United States District Court Judge for the United States District Court in the Southern District of New York, issued an order, (1) staying all proceedings in the Arbitration Recognition Proceedings, (2) adjourning the initial pretrial conference scheduled for February 23, 2018, and (3) ordering the parties to inform the U.S. Court of the conclusion of these CCAA Proceedings within five days of its resolution. The stay remains in place, and will not expire, absent further order of the U.S. Court, the whole as more fully appears from a copy of the letter and order, as signed by the Judge Nathan, communicated herewith as **Exhibit R-6**.

6. GENERAL DEVELOPMENTS AND OVERVIEW

68. Since the issuance of the Bloom Lake Initial Order and the Wabush Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence.
69. Since the Stay Period was last extended to March 30, 2018, the CCAA Parties or their counsel have, with the assistance of and in consultation with the Monitor, *inter alia*:
 - a) communicated regularly with the Monitor and provided the Monitor with full cooperation and complete access to the CCAA Parties' Property, premises and books and records;
 - b) assisted the Monitor in the finalization of the Restructuring Term Sheet with the Non-Filed Affiliates;
 - c) worked on drafting the Proposed Plan to implement the Restructuring Term Sheet and the ancillary draft orders with respect to the Proposed Plan;
 - d) continued to adhere to procedures for the monitoring of the CCAA Parties' operations and financial circumstances, including receipts and disbursements. Since the closing of the sales by certain of the CCAA Parties of the iron ore pellet production facility and the port facility located at Pointe-Noire, Québec and of the railway known as the Arnaud Railway, at the CCAA Parties' request, the Monitor has been assisting the Wabush CCAA Parties with their cash management

functions. Since the closing of the sale by certain Bloom Lake CCAA Parties of the Bloom Lake Mine, the Monitor, at the CCAA Parties' request, has also been assisting the Bloom Lake CCAA Parties with their cash management functions;

- e) attended to customary post-closing matters following various sales of CCAA Parties' assets;
 - f) continued to assist and cooperate with the Monitor in the review and determination of claims in accordance with the Amended Claims Procedure Order;
 - g) worked with the Monitor in the analysis and collections, where determined appropriate, of certain potential receivables or claims against third parties;
 - h) worked with the trustee of the Wabush Mines' Supplemental Unemployment Benefits Plan (the "**Wabush Mines SUB Plan**") to obtain release of the remaining funds therein in the aggregate amount of approximately \$85,000 to Wabush Mines;
 - i) facilitated the release of approximately \$147,000 (the "**DPSP/RRSP Funds**") to the Monitor in trust from Desjardins in respect of monies of certain former employees of CQIM (then Consolidated Iron Thompson) whom Desjardins has been unable to locate relating to a Deferred Profit Sharing Plan and RRSP contributions made by certain former employees for the period of 2010 to 2014 when Desjardins administered the Deferred Profit Sharing Plan and RRSP for Consolidated Iron Thompson, prior to the roll-over of such plans to Sun Life;
 - j) attended on the Leave to Appeal Motion in respect of the Allocation Methodology Approval Motion;
 - k) attended on the hearing of the Fermont Appeal in respect of the Allocation Methodology Approval Motion;
 - l) attended the MFC Post-Filing Royalty Litigation;
 - m) worked to resolve certain tax assessments;
 - n) worked to rectify certain title issues related to certain employee homes located in Sept-Îles that were previously sold to third parties; and
 - o) responded to additional CRA Audit inquiries.
70. It is respectfully submitted that the extension of the Stay Period to June 29, 2018 is required to provide all CCAA Parties with sufficient time to, *inter alia*:
- a) finalize the Proposed Plan and ancillary draft orders if not finalized before the extension of the Stay Period;
 - b) hold and conduct the Meetings of certain creditors with a voting right in respect of the Proposed Plan;

- c) implement the Proposed Plan;
 - d) to assist the Monitor in connection with the implementation of a post-filing claims process with respect to the CCAA Parties in connection with the Proposed Plan;
 - e) complete their review and assessment, in consultation with the Monitor, of the options available to CQIM for the realization of value, if any, in the NSR;
 - f) complete their review and assessment, in consultation with the Monitor, of any other remaining potential claims against non-related third parties;
 - g) complete the sale of Remaining Employee Homes;
 - h) advance and if possible complete the responses to the Canada Revenue Agency in relation to the CRA Audit and any follow-up inquiries;
 - i) implement, with the assistance of the Monitor, the Allocation Methodology to the recoveries of the estates;
 - j) intervene before the Québec Court of Appeal in the appeal proceedings on the Pension Priority Decision, if considered necessary or appropriate;
 - k) facilitate the release of the Wabush SUB Plan amounts to the Monitor in trust for the benefit of the Wabush Mines' estate;
 - l) facilitate the disbursement of the DPSP/RRSP Funds to the beneficiaries thereof or seek the advice and directions of the Court in respect thereof if any of such beneficiaries cannot be located after certain reasonable steps have been taken to locate these individuals;
 - m) receive outstanding tax refunds due to the CCAA Parties.
 - n) work to resolve certain tax assessments;
 - o) complete the rectification of certain title issues related to certain employee homes located in Sept-Îles that were previously sold to third parties;
 - p) file the factum the CCAA Parties as intervenor in the appeal proceedings related to the Newfoundland Decision, if considered necessary or appropriate; and
 - q) attend to complete certain post-closing matters related to the Scully Mine transaction.
71. It is anticipated that the requested extension of the Stay Period until June 29, 2018, will afford the CCAA Parties additional time that is needed to progress the foregoing.
72. The Monitor has advised the CCAA Parties that it supports the present Motion and the extension of the Stay Period. The CCAA Parties understand that the Monitor will file a report regarding the relief sought herein, including the proposed extension of the Stay Period.

73. Considering that the majority of the CCAA Parties' assets have been sold in the context of these CCAA Proceedings, and that the ongoing expenses consist of professional fees, the CCAA Parties believe that there is sufficient liquidity to fund the estimated ongoing costs and expenses of the CCAA Parties and any obligations incurred by them until June 29, 2018.
74. The CCAA Parties have acted and are acting with good faith and due diligence, circumstances exist that make the extension of the Stay Period appropriate and no stakeholder will be materially prejudiced by the extension of the Stay Period.
75. In light of the foregoing, the CCAA Parties respectfully ask this Court to extend the Stay Period to June 29, 2018, the whole subject to all other terms of the Bloom Lake Initial Order and the Wabush Initial Order.

7. PROCEDURAL MATTERS

76. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.
77. Pursuant to paragraph 54 of the Bloom Lake Initial Order and 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.
78. The service of the present Motion serves as notice pursuant to paragraph 54 of the Bloom Lake Initial Order and paragraphs 47 and 56 of the Wabush Initial Order.
79. Paragraph 55 of the Bloom Lake Initial Order and paragraph 57 of the Wabush Initial Order require 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 March 22, 2018.
80. Paragraph 56 of the Bloom Lake Initial Order and paragraph 58 of the Wabush Initial Order further provide 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**").
81. Paragraph 57 of the Bloom Lake Initial Order and paragraph 59 of the Wabush Initial Order provide that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

8. CONCLUSIONS

82. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of an order substantially in the form of the Draft Stay Extension Order (Exhibit R-1);

83. The Petitioners also seek declarations that any prior delay for the presentation of this Motion is abridged and validated so that this Motion is properly returnable on March 26, 2018, with a dispensation from further service thereof.
84. The present Motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Motion;

DECLARE that any delay for presentation of this Motion is hereby abridged in order that this Motion is properly returnable on March 26, 2018, with a dispensation from further service thereof;

ISSUE an order substantially in the form of the Draft Stay Extension Order (Exhibit R-1) communicated in support hereof;

WITHOUT COSTS, save and except in case of contestation.

Montréal, March 15, 2018



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises-en-cause

AFFIDAVIT

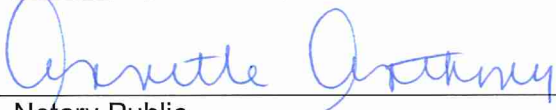
I, the undersigned, **CLIFFORD T. SMITH**, the Executive Vice-President and a director of Bloom Lake General Partner Limited and Cliffs Québec Iron Mining ULC, the President and a director of Bloom Lake Railway Company Limited and 8568391 Canada Limited, the President of Wabush Resources Inc., the President and a director of Wabush Iron Co. Limited, the Vice-President and a director of Arnaud Railway Company Limited and Wabush Lake Railway Company Limited, and a director of Quinto Mining Corporation, having a place of business at 1 Place Ville Marie, Bureau 3000, Montréal, Québec, H3B 4N8, solemnly affirm that all the facts alleged in the present *Motion for the Issuance of an Order Extending the Stay Period* are true.

AND I HAVE SIGNED:

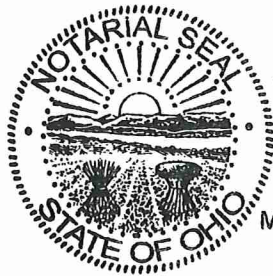


CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio, on this
15 day of March, 2018



Notary Public



ANNETTE ANTHONY
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Cuyahoga County
My Comm. Exp. 11/12/2022

NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the present *Motion for the Issuance of an Order Extending the Stay Period* 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 **March 26, 2018**, at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, March 15, 2018



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises-en-cause

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF **MONTREAL**

SUPERIOR COURT

Commercial Division

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

N°: 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

LIST OF EXHIBITS


(In support of the *Motion for the Issuance of an Order Extending the Stay Period*)

R-1 Draft Stay Extension Order dated March 26, 2018;

R-2 Restructuring Term Sheet;

- R-3 Summons in a Civil Action instituted by Worldlink Resources Limited before the United States District Court for the Southern District of New York in file bearing Civil Action No. 17 Civ-8486 (AJN);
- R-4 Letter sent to the attorneys acting on behalf of Worldlink, Clifford Chance US LLP on December 23, 2017;
- R-5 Letter from Clifford Chance to the U.S. Court dated January 3, 2018;
- R-6 Letter dated January 31, 2018 and Order signed by the Judge Nathan, *en liasse*;

Montréal, March 15, 2018


BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioners and the Mises-en-cause

N°: 500-11-048114-157

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

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

BLOOM LAKE GENERAL PARTNER LIMITED & AL.

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP & AL.**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD, AFFIDAVIT,
NOTICE OF PRESENTATION
AND EXHIBITS R-1 TO R-6
(Sections 4.5, 6 and 11 CCAA)**

ORIGINAL

The logo for Blakes, featuring the word "Blakes" in a stylized, cursive script font.

M^{re} Bernard Boucher

BB-8098

BLAKE, CASSELS & GRAYDON LLP

Barristers & Solicitors

1 Place Ville Marie

Suite 3000

Montréal, Québec H3B 4N8

Telephone: 514-982-4006

Fax: 514-982-4099

Email: bernard.boucher@blakes.com

Our File: 11573-375