

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

N°: 500-11-048114-157

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C., c. 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 AND CLIFFS QUÉBEC IRON MINING ULC**

Petitioners / Respondents

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP AND BLOOM LAKE RAILWAY
COMPANY LIMITED**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

GROUPE UNNU-EBC S.E.N.C. AND EBC INC.

Creditors / Petitioners

**NOTICE OF OBJECTION BY THE BLOOM LAKE CCAA PARTIES TO
CREDITORS' MOTION TO COMMUNICATE INFORMATION AND/OR DOCUMENTATION
(Court Docket #211)**

**TO THE HONOURABLE JUSTICE STEPHEN W. HAMILTON, J.S.C. OR ONE OF THE
HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL
DIVISION FOR THE DISTRICT OF MONTRÉAL, THE BLOOM LAKE CCAA PARTIES¹
SUBMIT:**

¹ For the purpose of this Notice of Objection, the "Bloom Lake CCAA Parties" are hereby defined as Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited, Cliffs Québec Iron Mining ULC, The Bloom Lake Iron Ore Mine Limited Partnership and the Bloom Lake Railway Company. These entities are named as respondents or mises-en-cause to the *Motion to Communicate Information and/or Documentation*.

1. INTRODUCTION

1. The Bloom Lake CCAA Parties hereby object to the *Motion to Communicate Information and/or Documentation* (the “**UNNU-EBC Motion**”) of the Creditors Groupe UNNU-EBC S.E.N.C. and EBC Inc. (collectively, the “**UNNU-EBC Creditors**”).
2. In the UNNU-EBC Motion, the UNNU-EBC Creditors are seeking an order compelling disclosure of certain documents and information that pertain to the Sale and Investor Solicitation Procedure approved by this Court by orders made on April 17 and June 9, 2015 (“**SISP**”), in particular as the SISP applies to the sale of assets of Bloom Lake General Partner Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, “**Bloom Lake**”) in respect of which the UNNU-EBC Creditors have published certain legal hypothecs against certain immoveable property of Bloom Lake.
3. The validity and quantum of the claim of and the legal hypothecs published by the UNNU-EBC Creditors have not been determined by the Bloom Lake CCAA Parties or the Monitor pending the claims procedure of the CCAA Parties being sought for approval by the Court on the same date as the UNNU-EBC Motion.
4. Notwithstanding the Confidentiality Agreement executed by the UNNU-EBC Creditors for the specific purpose of receiving disclosure of certain information from the Bloom Lake CCAA Parties in connection with the SISP, the UNNU-EBC Creditors are now seeking disclosure of certain information and documents outside the Confidentiality Agreement on a non-confidential basis.
5. The information and documents sought by the UNNU-EBC Creditors to be disclosed on a non-confidential basis are described in the conclusions of the UNNU-EBC Motion as follows:
 - (i) Confirmation or denial of the purported transaction with Champion Iron Limited (“**Champion**”) with respect to the sale of certain assets of Bloom Lake General Partner Limited and The Bloom Lake Iron Ore Mine Limited Partnership (the “**Insolvent Debtors**”), including the Bloom Lake Mine (the “**Purported Transaction**”);
 - (ii) If such Purported Transaction is confirmed, a copy of the offer made by Champion;
 - (iii) A copy of all other offers received by Moelis & Company LLC's (“**Moelis**”), FTI Consulting Canada Inc. (the “**Monitor**”) and/or the Insolvent Debtors, which encompass the Insolvent Debtors' rights under Mining Lease BM 877 and the mining claims held by the Insolvent Debtors, as more fully described in the legal hypothecs in favour of the Petitioners, published in the Public Register of real and immoveable Mining Rights under numbers 55 903 and 55 904 (the “**Mining Rights**”), within the context of the Sale and Investor Solicitation Procedure (“**SISP**”) which was approved by the Honourable Stephen W. Hamilton of this Court, in his orders rendered on April 17th, and June 9th, 2015;
 - (iv) Access to Moelis' solicitation list of potential acquirers for the assets of the Insolvent Debtors;

- (v) Access to Moelis' data room which was made available to potential purchasers of the assets of the Insolvent Debtors, and to all documents contained therein;
- (vi) The precise amount of cash on hand by the Insolvent Debtors as of the current date;
- (vii) All available data regarding the carrying costs of the Bloom Lake mine should the operation be mothballed and kept for a certain period of time with a view to disposing of it at a later date;"

6. As will be further expounded below, the Bloom Lake CCAA Parties respectfully submit that the UNNU-EBC Creditors' demands for disclosure are too far-reaching and include a demand to disclose commercially sensitive information that should not be disclosed to preserve the integrity of the SISF and on-going negotiations with potential purchasers and the confidential identity of other parties that have participated in the SISF process.
7. This Notice of Objection serves as the notice required pursuant to paragraphs 36 and 55 of the Initial Order with respect to the Bloom Lake CCAA Parties granted on January 27, 2015, as amended and restated from time to time.

2. BACKGROUND

8. Since the approval of the SISF and as mentioned in the UNNU-EBC Motion (paras. 13 to 23), the Bloom Lake CCAA Parties have, in good faith, provided to the UNNU-EBC Creditors certain confidential information and several documents regarding the SISF, the whole subject to the terms of a Confidentiality Agreement agreed to between the parties (Exhibit R-6 to the UNNU-EBC Motion).
9. On October 29, 2015, following the filing of the ENNU-EBC Motion, the Bloom Lake CCAA Parties, through the undersigned attorneys, wrote to the attorneys representing the UNNU-EBC Creditors in order to address the various demands made in the UNNU-EBC Motion, as appears from the letter communicated herewith as **Exhibit BL-1**.
10. In the October 29, 2015 letter (Exhibit BL-1), the Bloom Lake CCAA Parties provided to the UNNU-EBC Creditors the information sought in conclusion (vi) of the UNNU-EBC Motion.
11. As to conclusion (vii) of the UNNU-EBC Motion, the Bloom Lake CCAA Parties disclosed the estimate of the carrying costs of the Bloom Lake mine based on the October 23 Forecast and informed the attorneys for the UNNU-EBC Creditors that no estimate of the annual carrying costs had been prepared.
12. In respect of the other disclosure requests made by the UNNU-EBC Creditors, the Bloom Lake CCAA Parties offered to disclose the following information, subject to the terms of the Confidentiality Agreement:
 - a) The name of the purported potential purchaser with whom Bloom Lake would be endeavouring to negotiate a definitive sale agreement (which, incidentally, would answer the information sought in conclusion (i) of the UNNU-EBC Motion). The Bloom Lake CCAA Parties note that the express consent of the potential

purchaser was obtained by the Bloom Lake CCAA Parties to disclosure of its name to UNNU-EBC;

- b) A redacted copy of Moelis' solicitation list, as necessary to comply with the Bloom Lake CCAA Parties' confidentiality obligations to certain parties on the list (conclusion (iv) of the UNNU-EBC Motion); and
- c) Access to the Moelis data room (conclusion (v) of the UNNU-EBC Motion).

- 13. The Bloom Lake CCAA Parties declined to provide the documents sought in conclusions (ii) and (iii) of the UNNU-EBC Motion because of their confidentiality obligations to third parties.
- 14. The Bloom Lake CCAA Parties requested the consent of the potential purchaser with whom it is endeavoring to negotiate a definitive sale agreement and such potential purchaser has declined its consent on the basis that the parties are still in negotiations over the definitive sale agreement.
- 15. On October 30, 2015, the attorneys for the UNNU-EBC Creditors responded to the undersigned attorneys that the UNNU-EBC Creditors were not satisfied with the proposal put forward by the Bloom Lake CCAA Parties and maintain the demands formulated in the UNNU-EBC Motion, including that requested information and documents be provided to them unredacted and without any duty of confidentiality, as appears from the letter communicated herewith as **Exhibit BL-2**.

3. IMPORTANCE TO PRESERVE THE CONFIDENTIALITY OF THE SISF INFORMATION

- 16. The Bloom Lake CCAA Parties hereby reiterate their willingness to give the UNNU-EBC Creditors access, subject to the terms of the Confidentiality Agreement, to the following information:
 - a) the name of the purported potential purchaser with whom Bloom Lake would be endeavouring to negotiate a definitive sale agreement;
 - b) a redacted copy of the Moelis' solicitation list; and
 - c) the Moelis' data room.
- 17. Moreover, conclusion (vi) of the UNNU-EBC Motion has been satisfactorily addressed in the Bloom Lake CCAA Parties' letter of October 29, 2015 (Exhibit BL-1) and is now without object.
- 18. As to conclusion (vii) of the UNNU-EBC Motion, the Bloom Lake CCAA Parties would also be amenable, subject to the terms of Confidentiality Agreement, to provide the backup in support of the existing cash flow of Bloom Lake as it pertains to the carrying costs of the Bloom Lake mine. The Bloom Lake CCAA Parties respectfully submit that this is the only data available regarding these carrying costs and that they should not be ordered to incur the additional time and costs to prepare or create additional documentation for the sole benefice of the UNNU-EBC Creditors.

19. However, for the reasons noted below, the Bloom Lake CCAA Parties maintain their objection to the other conclusions sought in the UNNU-EBC Motion which pertain to the disclosure of:
 - a) The purported potential purchaser's offer (conclusion (ii) of the UNNU-EBC Motion);
 - b) All other offers received for the Mining Rights (conclusion (iii) of the UNNU-EBC Motion); and
 - c) An unredacted copy of the Moelis' solicitation list (conclusion (iv) of the UNNU-EBC Motion).
20. These documents contain sensitive confidential information from third parties, which the Bloom Lake CCAA Parties are prohibited from disclosing because of confidentiality obligations undertaken by the Bloom Lake CCAA Parties in the context of the SISP.
21. In certain cases, potential bidders, including publicly-traded companies, have expressly bargained that their participation in the SISP process not be disclosed.
22. The disclosure of the information and documents demanded by the UNNU-EBC Parties would contravene the Bloom Lake CCAA Parties' confidential obligations, could cause potential harm to potential bidders if their identity and offers were disclosed and expose the Bloom Lake CCAA Parties to potential liability.
23. Furthermore, the SISP is still ongoing. It would be extremely detrimental to the integrity of the process and the Bloom Lake CCAA Parties' ability to maximize value for their stakeholders if they were to be compelled to disclose information relating to the various participants in the SISP and the amount and conditions of the offers that were received in the context of the SISP while they are attempting to finalize negotiations with potential purchasers.
24. It would also be unfair to potential purchasers with whom the Bloom Lake CCAA Parties are in negotiations to disclose their identity to third parties without their consent. As noted above, the potential purchaser with whom Bloom Lake is negotiating a definitive sale agreement has advised the Bloom Lake CCAA Parties that it will not consent to the disclosure of its identity unless pursuant to the terms of the Confidentiality Agreement. Such potential purchaser has refused to consent to the disclosure of its offer.
25. The importance of maintaining the integrity and fairness of the ongoing SISP clearly outweighs any inconvenience that the UNNU-EBC Creditors may suffer from the non-disclosure of the requested information and documents.
26. The UNNU-EBC Creditors will have the full opportunity to raise any objection that they may have regarding any purported transactions involving the Mining Rights at the court-approval stage, as will any other secured or unsecured creditors of the Bloom Lake CCAA Parties.
27. In any case, the UNNU-EBC Creditors are already in possession of information and documents provided to them by the Bloom Lake CCAA Parties pursuant to the

Confidentiality Agreement sufficient to address any concern that they may have regarding the treatment of their Mining Rights under the SISP.

28. This Notice of Objection is well-founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT this Notice of Objection;

DECLARE that the Bloom Lake CCAA Parties already provided the information sought in conclusion (vi) of the UNNU-EBC Motion and that this conclusion is now without object;

PRAISE ACT of the Bloom Lake CCAA Parties' undertaking to provide to the UNNU-EBC Creditors, subject to the terms of the Confidentiality Agreement entered into between the parties:

- a) The name of the purported potential purchaser with whom Bloom Lake would be endeavouring to negotiate a definitive sale agreement;
- b) A redacted copy of Moelis' solicitation list, as necessary to comply with the Bloom Lake CCAA Parties' confidentiality obligations to certain parties on the list; and
- c) Access to the Moelis data room;
- d) The backup in support of the existing cash flow of Bloom Lake as it pertains to the carrying costs of the Bloom Lake mine;

DISMISS, for the rest, the *Motion to Communicate Information and/or Documentation*;

THE WHOLE with costs.

Montréal, November 2, 2015


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

NOTICE OF PRESENTATION

TO: M^{re} François D. Gagnon
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Montreal (QC) H3B 5H4

*Attorneys for Groupe UNNU-EBC S.E.N.C.
and EBC Inc.*

-and-

SERVICE LIST

TAKE NOTICE that the present *Notice of Objection to the Motion to Communicate Information and/or Documentation* will be presented for adjudication before the Honourable Stephen W. Hamilton, j.s.c., or another honourable judge of the Superior Court, Commercial Division, sitting in and for the district of Montréal, on **November 5th, 2015**, at a time and in a room to be determined.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, November 2, 2015


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

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**SUPERIOR COURT
DISTRICT OF MONTREAL
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-and-

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CCAA PARTIES TO CREDITORS' MOTION TO
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ORIGINAL

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