

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

File: No: 500-11-048114-157

Montreal, October 28, 2016

Presiding: The Honourable Mr. Justice Stephen W.
Hamilton, J.S.C.

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, 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 QUEBEC
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-

**MICHAEL KEEPER, TERENCE WATT, DAMIEN
LEBEL, and NEIL JOHNSON**

Petitioners-Mises-en-cause

-and-

**UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285**

Mises-en-cause


-and-

MORNEAU SHEPELL
Mise-en-cause

**ORDER FOR LEGAL COSTS OF SALARIED/NON-UNION EMPLOYEES
AND RETIREES**

1. **THE COURT**, upon reading the Petitioners'-Mises-en-cause *Motion for an Order for Legal Costs of Salaried/Non-union Employees and Retirees* and having examined the affidavit of Barbara Walancik affirmed October 11, 2016;
2. **CONSIDERING** the submissions of counsel for the Petitioners-Mises-en-cause, the submissions of counsel for the Wabush CCAA Parties, the submissions of counsel for the Monitor, and of such other counsel as were present;
3. **GIVEN** the Monitor's 7th Report and the recommendations contained therein concerning the appointment of the Representatives and Representative Counsel for the Salaried Members, as defined below;
4. **GIVEN** the Order of this Court dated June 22, 2015 approving the appointment of the Representatives and Representative Counsel for the Salaried Members; and
5. **GIVEN** the provisions of the *Companies' Creditors Arrangement Act*;

FOR THESE REASONS, THE COURT HEREBY:

6. **GRANTS** the motion of the Petitioners-Mises-en-cause (the "**Representatives**") of all salaried/non-Union employees and retirees of the Wabush CCAA Parties (namely, Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway company and Wabush Lake Railway Company Limited) or any person claiming an interest under or on behalf of such employees or former employees or pensioners and surviving spouses, or group or class of them (collectively, the "**Salaried Members**"), in these CCAA proceedings, for the legal costs of the Salaried Members as set out in **Schedule "A"** attached hereto.
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7. **ORDERS** that the legal fees, taxes and disbursements by the Representatives and by Representative Counsel already incurred prior to October 1, 2016 in these CCAA proceedings and as set out in Schedule A attached hereto shall be paid by the Wabush CCAA Parties, and **ORDERS** that the legal fees, taxes and disbursements by the Representatives and by Representative Counsel for the period from October 1, 2016, until January 31, 2017 inclusive shall be paid by the Wabush CCAA Parties, up to an amount of \$35,000 (CDN) per month in legal fees subject to a total cap for such legal fees of \$140,000. Any amount that is remaining in the cap in a given month can be carried forward to be applied to increase the cap in a future month, or can be applied toward the legal fees incurred in a past month(s) that exceeded the cap in such past month(s) and has not been paid. In each case, the Representatives and Representative Counsel shall render sufficiently detailed accounts (subject to reasonable redaction due to solicitor-client privilege) to the Wabush CCAA Parties and subject to the invoices being approved by the Monitor. Notwithstanding any other provision of this Order, the Wabush CCAA Parties shall not pay any legal fees, taxes or disbursements of the Representatives and Representative Counsel if payment thereof by the Wabush CCAA Parties would be prohibited by the Interim Financing Term Sheet approved by Order of the Court dated May 20, 2015, in particular, any legal fees, taxes and disbursements of the Representatives and Representative Counsel in respect of: a) any contestation by the Representatives or Representative Counsel to the Interim Facility provided by Cliffs Mining Company pursuant to the Interim Financing Term Sheet (the "**Interim Facility**"), including any terms thereof or, b) any litigation that may be brought or supported by the Representatives or Representative Counsel against the directors of the Wabush CCAA parties in their personal capacity or against Cliffs Mining Company, in its capacity as Interim Lender under the Interim Facility;
8. **ORDERS** that the Representatives and the Representative Counsel, as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, shall be entitled to the benefit of and are hereby granted a charge

and security in the Property of the Wabush CCAA Parties to the extent of the aggregate amount of \$150,000 (the "**Representatives' Charge**"). The Representatives' Charge shall rank immediately behind the Directors' Charge ~~and~~ *sum* ~~before the Interim Lender Charge~~, as set out in paragraphs 46 and 47 of the Rectified Initial Order of this Court in these Proceedings dated May 28, 2015;

9. **DIRECTS** that any disagreement regarding the legal fees, taxes and disbursements of the Representatives and Representative Counsel may be remitted to this Court for determination;
10. **AUTHORIZES** the Representatives and Representative Counsel to take all steps and to perform all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto;
11. **DECLARES** that service and notice of this motion was good and sufficient and hereby dispenses with further service thereof;
12. **WITHOUT COSTS.**

October 28, 2016


STEPHEN W. HAMILTON, J.S.C.



Elizabeth Ponce
GREFFIÈRE ADJOINTE C.S.M.

Schedule "A"

KOSKIE MINSKY LLP				
	Fees	Disb	Taxes	TOTAL
January 2016	22,995.00	234.98	3,019.90	\$26,249.88
February 2016	23,189.00	3,105.53	3,418.29	\$29,712.82
March 2016	62,292.00	6,483.39	8,936.35	\$77,711.74
April 2016	24,413.00	270.79	3,338.37	\$29,022.16
May 2016	19,708.00	301.63	2,601.25	\$22,610.88
June 2016	14,412.00	2,317.20	2,174.80	\$18,904.00
July 2016	40,792.00	3,114.57	5,707.85	\$49,614.42
August 2016	37,305.00	478.37	4,911.84	\$42,695.21
September 2016	25,657.00	212.78	3,363.07	\$29,232.85
TOTAL				<u>\$325,787.32</u>
NICK SCHEIB				
	Fees	Disb	Taxes	TOTAL
Oct 2015 – July 2016	29,360.00	2,093.13	4,710.00	\$36,163.24
Aug – Sept 2016	8,040.00	139.70	1,217.43	\$9,397.13
Outstanding balance due on invoice #20150826-01				\$8,203.47
TOTAL				<u>\$53,763.84</u>