

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED:**

**BLOOM LAKE GENERAL PARTNER  
LIMITED, QUINTO MINING  
CORPORATION, 8568391 CANADA  
LIMITED, CLIFFS QUÉBEC IRON  
MINING ULC, WABUSH IRON CO.  
LIMITED AND WABUSH RESOURCES  
INC.**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE  
LIMITED PARTNERSHIP, BLOOM  
LAKE RAILWAY COMPANY LIMITED,  
WABUSH MINES, ARNAUD RAILWAY  
COMPANY AND WABUSH LAKE  
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

**FTI CONSULTING CANADA INC.**

Monitor

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**FORTY-FOURTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

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## INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**BLGP**”), Quinto Mining Corporation (“**Quinto**”), 8568391 Canada Limited (“**856**”) and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Québec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**BLLP**”) and Bloom Lake Railway Company Limited (“**BLRC**” and, together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.

2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company (“**Arnaud**”) and Wabush Lake Railway Company Limited (“**Wabush Railway**” and, collectively with Arnaud and Wabush Mines, the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended, restated or rectified from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.
3. The Bloom Lake Stay Period and the Wabush Stay Period (together, the “**Stay Period**”) have been extended from time to time and currently expire on March 30, 2018. The CCAA Parties have filed a motion for an extension of the Stay Period to June 29, 2018, which motion is returnable March 26, 2018. The motion for the extension of the Stay Period is addressed in the Monitor’s Forty-Third Report.
4. On June 22, 2015, Mr. Justice Hamilton J.S.C. granted an Order (the “**June 22 Rep Order**”) *inter alia*:
  - (a) Appointing Michael Keeper, Terence Watt, Damin Lebel and Neil Johnson as representatives (the “**Representatives**”) of the Salaried Members (as defined in the June 22 Rep Order); and
  - (b) Appointing as legal counsel to the Representatives, Koskie Minsky LLP and Nicholas Scheib<sup>1</sup> (collectively “**Representative Counsel**”).

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<sup>1</sup> Mr. Scheib resigned the position in June 2017 and was replaced by Fishman Flanz Meland Paquin LLP effective October 1, 2017, pursuant to an Order granted December 21, 2017.

5. On November 5, 2015, Mr. Justice Hamilton J.S.C. granted an Order (as amended on November 16, 2015, the “**Claims Procedure Order**”) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers (the “**Claims Procedure**”).
6. On July 25, 2017, Mr. Justice Hamilton J.S.C. granted an Order (the “**Allocation Methodology Order**”) *inter alia* approving a methodology for the allocation of the proceeds of realizations and the costs of the CCAA Proceedings amongst the CCAA Parties and, to the extent necessary, amongst assets or asset categories (the “**Allocation Methodology**”)<sup>2</sup>.
7. To date, the Monitor has filed forty-three reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Forty-Fourth Report (this “**Report**”), is to provide information to the Court with respect to:
  - (a) The CCAA Parties’ request for an Order (the “**Meetings Order**”) *inter alia* accepting the filing of the Participating CCAA Parties’ proposed joint plan of compromise and arrangement dated March 19, 2018 (the “**Plan**”) and authorizing the convening of meetings of creditors to consider and vote on the Plan and the Monitor’s recommendation thereon;
  - (b) The Monitor’s assessment of the Plan; and
  - (c) The CCAA Parties’ request for an Order (the “**Post-Filing Claims Procedure Order**”) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties or their directors and officers arising since the commencement dates of the CCAA Proceedings (the “**Post-Filing Claims Procedure**”) and the Monitor’s recommendation thereon.

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<sup>2</sup> The City of Fermont sought and obtained leave to appeal one aspect of the Allocation Methodology Order, which appeal was heard March 14, 2018. The Court of Appeal reserved its decision.

## TERMS OF REFERENCE

8. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties' books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the "**Information**").
9. Except as described in this Report:
  - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. The Monitor has prepared this Report in connection with the CCAA Parties' motions for the granting of the Meetings Order and the Post-Filing Claims Procedure Order scheduled to be heard March 26, 2018, and should not be relied on for other purposes.
11. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

## **EXECUTIVE SUMMARY**

13. With respect to the Participating CCAA Parties' request for the Meetings Order:
  - (a) The Monitor is of the view that the Meetings Order provides for reasonable and sufficient notice of the Creditors' Meetings to be provided to Affected Unsecured Creditors;
  - (b) The Monitor is of the view that the proposed limited substantive consolidation under the Plan is appropriate in the circumstances and that there is no material prejudice arising from such proposed limited substantive consolidation;
  - (c) Having considered the factors set out in section 22(2) of the CCAA, the Monitor is of the view that the classification of creditors as contemplated by the Meetings Order and the Plan is reasonable and appropriate; and
  - (d) The Monitor respectfully recommends that the Participating CCAA Parties' request for the Meetings Order be granted.
  
14. With respect to the CCAA Parties' request for the Post-Filing Claims Procedure Order:
  - (a) The Monitor is of the view that the Post-Filing Claims Procedure is appropriate, fair and reasonable in the circumstances and that the granting of the Post-Filing Claims Procedure Order is justified; and
  - (b) The Monitor respectfully recommends that the CCAA Parties' request for the Post-Filing Claims Procedure Order be granted.

## **REQUEST FOR THE MEETINGS ORDER**

15. As noted earlier in the Report, the Participating CCAA Parties are seeking the granting of the Meetings Order, *inter alia*, accepting the filing of the Plan, approving the limited substantive consolidation of certain estates for the purposes of the Plan, approving the classification of creditors for the purposes of voting on and receiving distributions under the Plan and authorizing the convening of meetings of creditors to consider and vote on the Plan.
16. Capitalized terms used in this section of this Report not otherwise defined are as defined in the Plan, a copy of which is attached hereto as **Appendix A**.

## **THE PLAN**

17. Paragraph 6 of the Bloom Lake Initial Order states that the Court:

“6. DECLARES that the Petitioners and the Mises-en-cause (collectively hereinafter referred to as the "CCAA Parties") shall have the authority to file with this Court and to submit to their creditors one or more plans of compromise or arrangement (collectively, the "Plan") in accordance with the CCAA”

18. Paragraph 5 of the Wabush Initial Order states that the Court:

“5. DECLARES that the Wabush Petitioners and the Wabush Mises-en-cause (collectively hereinafter referred to as the "Wabush CCAA Parties") shall have the authority to file with this Court and to submit to their creditors one or more plans of compromise or arrangement (collectively, the "Plan") in accordance with the CCAA”

19. The Plan seeks to implement the principal terms of a settlement between the Participating CCAA Parties and Non-Filed Affiliates, as negotiated between the Monitor and the Non-Filed Affiliates and as set out in the restructuring term sheet dated March 14, 2018 (the “**Restructuring Term Sheet**”)<sup>3</sup>. The Restructuring Term Sheet was summarized in the Monitor’s Forty-Third Report. An analysis of the settlement and the benefits thereof is provided later in this Report.
20. The Plan is a joint plan, filed by all of the CCAA Parties other than 856 and BLRC, neither of which has any pre-filing creditors, as determined pursuant to the Claims Procedure. It is intended that 856 and BLRC will be dissolved subsequent to the Post-Filing Claims Bar Date, as defined in the Post-Filing Claims Procedure.
21. Pursuant to the Plan, all amounts that would otherwise be payable to the Non-Filed Affiliates on account of their secured and unsecured claims (collectively, such amounts being the “**Non-Filed Affiliate Distribution/Payment Contribution**”) will be contributed for the benefit of the Affected Unsecured Creditors in the CQIM/Quinto Unsecured Creditor Class, including any other CCAA Parties that are creditors in that Unsecured Creditor Class. The Non-Filed Affiliate Distribution/Payment Contribution is to be contributed for the benefit of the Affected Unsecured Creditors in the CQIM/Quinto Unsecured Class because CQIM is the CCAA Party that would be entitled to assert the Non-Filed Affiliate Transaction Claims that are to be settled through the Plan. As further described later in this Report, the Monitor currently estimates that the value of the Non-Filed Affiliate Distribution/Payment Contribution is likely to be in the range of approximately \$57 million to \$95 million.

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<sup>3</sup> Subsequent to the execution of the Restructuring Term Sheet, it was discovered that Schedule “A” to the Restructuring Term Sheet, being the summary of Non-Filed Affiliate Unsecured Interco Claims, inadvertently included a Non-Filed Affiliate Unsecured Interco Claim held by Knoll Lake Minerals Limited (“Knoll Lake”) against WICL and WRI. Knoll Lake was not a wholly-owned subsidiary and the shares in Knoll Lake held by WICL and WRI were transferred to the purchaser of the Scully Mine as part of the Scully Mine Transaction in July 2017. The parties to the Restructuring Term Sheet agreed, with the Monitor’s consent, to replace Schedule “A” with a corrected schedule which removes the Knoll Lake claim.



22. In addition, the Non-Filed Affiliates will make an additional cash contribution of \$5 million for the benefit of the Affected Third Party Unsecured Creditors of the Participating CCAA Parties (the “**Non-Filed Affiliate Cash Contribution**”) which will be allocated amongst the Participating CCAA Parties as follows:
  - (a) \$4 million to the CQIM/Quinto Unsecured Creditor Cash Pool; and
  - (b) \$1 million to be allocated among the Unsecured Creditor Cash Pools of the other Participating CCAA Parties pro rata based on the Proven Affected Third Party Unsecured Claims in the Unsecured Creditor Class applicable to each Participating CCAA Party.
23. The Plan provides for interim distributions to be made from time to time on account of Proven Affected Unsecured Claims. No distribution in respect of an Affected Unsecured Claim will be made until it is a Proven Claim.
24. An interim distribution will be made to Affected Third Party Unsecured Creditors of the Participating Bloom Lake CCAA Parties as soon as reasonably practicable after the Plan Implementation Date.
25. No Distribution of any kind shall be made to Creditors, including to Affected Unsecured Creditors or Secured Creditors, of the Wabush CCAA Parties until the Final Determination of the issues relating to Pension Claims that are the subject matter of the Pension Priority Proceedings.
26. The Plan does not determine the issues relating to the Pension Claims that are the subject matter of the Pension Priority Proceedings and all interested parties will reserve all rights in respect of their positions on those issues. The Plan does, however, govern the treatment of the Pension Claims for voting purposes and, when matters related to the Pension Priority Motion are Finally Determined, for distribution purposes.

***Classification of Creditors***

27. For the purposes of considering and voting on the Plan and receiving a distribution thereunder, the Plan provides for five classes of creditors (each an “**Unsecured Creditor Class**”, and together the “**Unsecured Creditor Classes**”):
- (a) The CQIM/Quinto Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the CQIM/Quinto Parties;
  - (b) The BL Parties Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the BL Parties;
  - (c) The Wabush Mines Parties Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of any of the Wabush Mines Parties;
  - (d) The Arnaud Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of Arnaud; and
  - (e) The Wabush Railway Unsecured Creditor Class, being comprised of Affected Unsecured Creditors of Wabush Railway.
28. The Unsecured Creditor Classes provide for limited substantive consolidation for the purposes of the Plan of:
- (a) CQIM and Quinto;
  - (b) BLGP and BLLP; and
  - (c) WICL, WRI and Wabush Mines.

29. Quinto is a wholly owned subsidiary of CQIM and the only claims against Quinto are claims of the Parent and another Non-Filed Affiliate in the aggregate amount of approximately \$16.9 million and the claim of BLLP in the *de minimis* amount of \$11,465. Under the Plan, distributions by Quinto to the Parent and the other Non-Filed Affiliates would be contributed to CQIM. While the consolidation would dilute the distribution on account of the BLLP claim, the potential distribution on account of the BLLP claim absent consolidation would only be approximately \$5,500, which amount is immaterial to the estate of BLLP and its Affected Third Party Unsecured Creditors. Accordingly, the Monitor is of the view that there is no apparent material prejudice from the proposed consolidation of CQIM and Quinto for the purposes of the Plan.
30. Furthermore, pursuant to section 22(3) of the CCAA, related party creditors may vote against, but not for, a plan. As Quinto has no creditors that are not related party creditors, it would not be possible for a plan that had a separate class of creditors for Quinto to be approved by the requisite majorities of creditors.
31. BLGP is the general partner of BLLP. All of the Affected Third Party Unsecured Claims against BLGP are also filed jointly and severally against BLLP except for two claims in the aggregate amount of approximately \$1.6 million. BLGP has no realizations. Affected Third Party Unsecured Claims against BLLP total approximately \$750 million. The inclusion of the two claims solely filed against BLGP has a *de minimis* impact on distributions to the BL Parties Unsecured Creditor Class. Accordingly, the Monitor is of the view that there is no apparent material prejudice from the proposed consolidation of BLGP and BLLP for the purposes of the Plan.

32. As previously reported, Wabush Mines is an unincorporated contractual joint venture subject to and governed by the laws of Newfoundland and Labrador. It is not a legal entity and therefore has no assets and liabilities in its own right. Any claims filed against Wabush Mines in the Claims Procedure would be claims against WICL and WRI.
33. Based on the Claims Procedure, the Monitor is satisfied that WICL and WRI share common creditor pools and it appears that that the claims filed against WICL and WRI relate to liabilities incurred in connection with the operation of Wabush Mines. Accordingly, the Monitor is of the view that there is no apparent material prejudice from the proposed consolidation of WICL, WRI and Wabush Mines.

***Payments to Secured Creditors***

34. Secured Creditors will be unaffected by the Plan and shall not be permitted to vote on the Plan. Secured Creditors will receive payment of the Allocated Value, as determined by the Monitor in accordance with the Allocation Methodology, applicable to their Proven Secured Claim.
35. Amounts paid to Non-Filed Affiliates on account of Non-Filed Affiliate Secured Interco Claims (the “**Non-Filed Affiliate Secured Payments**”) will be contributed to the CQIM/Quinto Unsecured Creditor Cash Pool as part of the Non-Filed Affiliate Distribution/Payment Contribution.

***Distributions to Unsecured Creditors***

36. Affected Unsecured Creditors with Proven Claims will receive a pro-rata share of the applicable Unsecured Creditor Cash Pool. The Unsecured Creditor Cash Pool available to each Unsecured Creditor Class will ultimately be the net proceeds of realization of the assets of the applicable Participating CCAA Party after all costs of the CCAA Proceedings in accordance with the Allocation Methodology, less amounts paid to prior ranking or Unaffected Creditors.
37. Distributions will be calculated as follows:

- (a) First, a calculation of the pro-rata amounts for distribution in each Unsecured Creditor Class will be made, including the claims of Non-Filed Affiliates and other CCAA Parties, from which the amount to be included in the Non-Filed Affiliate Distribution/Payment Contribution can be calculated;
- (b) Second, the CQIM/Quinto Unsecured Creditor Cash Pool will be increased by the amount of the Non-Filed Affiliate Distribution/Payment Contribution and the other applicable Unsecured Creditor Cash Pools shall be decreased to account for payments on account of the Non-Filed Affiliate Distribution/Payment Contribution out of each such Unsecured Creditor Cash Pool. A calculation of the pro-rata amounts for distribution to Affected Unsecured Creditors other than Non-Filed Affiliates in each Unsecured Creditor Class will be made, including the claims of the Participating CCAA Parties; and
- (c) Third, each Unsecured Creditor Cash Pool will be adjusted by the amount of any distributions received or paid between the applicable Participating CCAA Parties under the second step and increased by the applicable amount of the Non-Filed Affiliate Cash Contribution. A calculation of the pro-rata amounts for distribution to Affected Third Party Unsecured Creditors in each Unsecured Creditor Class will be made excluding the claims of the other CCAA Parties and the claims of Non-Filed Affiliates.

38. The effect of the aforementioned calculations is as follows:

- (a) Affected Third Party Unsecured Creditors in the CQIM/Quinto Unsecured Creditor Class will receive, in addition to the recoveries that they would otherwise receive, the benefit of the Non-Filed Affiliate Distribution/Payment Contribution (other than amounts that would flow to Participating CCAA Parties that are creditors of CQIM/Quinto) and \$4 million of the Non-Filed Affiliate Cash Contribution; and
  - (b) Affected Third Party Unsecured Creditors in the other Unsecured Creditor Classes will receive, in addition to the recoveries that they would otherwise receive, the benefit of that Unsecured Creditor Class's pro rata share of the remaining \$1 million of the Non-Filed Affiliate Cash Contribution, plus the benefit of any amount of the Non-Filed Affiliate Distribution/Payment Contribution that flows to those other Participating CCAA Parties by virtue of their claims in the CQIM/Quinto Unsecured Creditor Class.
39. Further analysis of the estimated benefits to Affected Third Party Unsecured Creditors in each Unsecured Creditor Class is provided later in this Report.

***Treatment of Other Claims***

40. Excluded Claims will not be compromised by the Plan. Excluded Claims include:
- (a) All claims against the Participating CCAA Parties in respect of obligations first arising on or after the Filing Date, other than Restructuring Claims and D&O Claims;
  - (b) Any claim secured by any CCAA Charge; and
  - (c) Any claim with respect to fees and disbursements incurred by counsel for any CCAA Party, Director, the Monitor, Claims Officer, any financial advisor retained by any of the foregoing, or Representatives' Counsel as approved by the Court to the extent required.

41. The Plan provides that certain Crown claims will be paid in compliance with section 6(3) of the CCAA.
42. The Plan provides that certain employee claims will be paid in full in compliance with section 6(5) of the CCAA. In addition, the Plan provides for the payment of amounts in excess of the amounts required to be paid under section 6(5) of the CCAA that Employees may have been entitled to receive pursuant to the *Wage Earner Protection Program Act* (“**WEPPA**”) if the applicable Participating CCAA Party had become bankrupt on the Plan Sanction Date.
43. Section 6(6) of the CCAA provides that the Court may sanction a plan only if it is satisfied that the company can and will make payment of certain amounts related to pension plans.
44. The only potential amounts outstanding that would be subject to section 6(6) of the CCAA of which the Monitor and the CCAA Parties are aware is the disputed amount of \$22,893 related to the normal cost pension payments for the period between December 17 and December 31, 2015, following the termination of the Pension Plans.
45. If the amount is owing, it would be treated as a Secured Claim under the Plan and consequently would be paid.

***Releases***

46. The Plan provides for broad releases (the “**BL/Wabush Releases**”) to the full extent permitted by Applicable Law for each of the members of the Participating CCAA Parties and their respective Directors, Officers, Employees, advisors, legal counsel and agents (collectively, the “**BL/Wabush Released Parties**”) from claims based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence:

- (a) Existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Amended Claims Procedure Order; and
  - (b) In respect of any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan, and in each case all claims arising out of such aforesaid actions or omissions shall be forever waived and released (other than the right to enforce the Participating CCAA Parties' obligations under the Plan or any related document).
47. The BL/Wabush Releases do not release or discharge:
- (a) Unaffected Claims;
  - (b) Any BL/Wabush Released Party if such BL/Wabush Released Party is judged by the express terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct;
  - (c) The Directors with respect to matters set out in Section 5.1(2) of the CCAA; or
  - (d) The Non-Filed Affiliate Employee Defendants from Non-Filed Affiliate Employee Claims to the extent the Non-Filed Affiliate Employee Defendants may otherwise be BL/ Wabush Released Parties.



48. The Plan also provides for broad releases to the full extent permitted by Applicable Law in favour of the Monitor and FTI and their respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (each a “**Third Party Released Party**”). The releases in favour of the Third Party Released Parties (the “**Third Party Releases**”) do not release or discharge any Third Party Released Party if such Third Party Released Party is judged by the express terms of a judgment rendered in a Final Order to have committed criminal, fraudulent or other wilful misconduct.
49. The Plan also provides for broad releases to the full extent permitted by Applicable Law in favour of the Non-Filed Affiliates and their respective current and former members, shareholders, directors, officers, employees, advisors, legal counsel and agents (each a “**Non-Filed Affiliate Released Party**”). The releases in favour of the Non-Filed Affiliate Released Parties (the “**Non-Filed Affiliate Releases**”) do not release or discharge:
- (a) The Non-Filed Affiliate Employee Defendants from the Non-Filed Affiliates Employee Claims; and
  - (b) Any Non-Filed Affiliate Released Party if such Non-Filed Affiliate Released Party is judged by the express terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct.

***Conditions Precedent to Implementation***

50. The implementation of the Plan is subject to the following conditions precedent:
- (a) Each Unsecured Creditor Class of each Participating CCAA Party shall have approved the Plan in the Required Majority;
  - (b) The Meetings Order and the Sanction Order shall have been granted;

- (c) Each of the Meetings Order and the Sanction Order shall have become Final Orders;
- (d) If necessary to effect the Plan, the Participating CCAA Parties shall have filed all necessary annual information forms or returns under Applicable Law in order to maintain such Participating CCAA Parties in good standing as at the Plan Implementation Date;
- (e) The Monitor shall have received the Non-Filed Affiliate Cash Contribution at least three (3) Business Days' prior to the Meetings;
- (f) The Monitor and the Participating CCAA Parties shall have received the Irrevocable Payment Direction at least three (3) Business Days prior to the Meetings;
- (g) The Monitor shall have received such clearance certificates, or comfort letters in lieu thereof from the Canada Revenue Agency or any other applicable Taxing Authority, as the Monitor considers necessary or advisable, to make any Plan Distributions; and
- (h) The Plan Implementation Date shall have occurred before June 29, 2018, or such later date as agreed to by the Participating CCAA Parties, the Parent and Monitor.

**THE MEETINGS ORDER**

51. The Applicants have requested the granting of the proposed Meetings Order, a copy of which is attached hereto as **Appendix B**.

52. The Meetings Order provides for voting on the Plan by the five classes of creditors set out in the Plan at meetings of each class to be held on May 10, 2018 (each a “**Creditors’ Meeting**”) at the offices of the Monitor’s Counsel in Montréal. For efficiency purposes, and given the overlap in creditors in certain of the Unsecured Creditor Classes, the Creditors’ Meetings for the CQIM/Quinto Unsecured Creditor Class and the BL Parties Unsecured Creditors Class will be held concurrently at 9:30 a.m. and the Creditors’ Meetings for the Wabush Mines Parties Unsecured Creditor Class, the Arnaud Unsecured Creditor Class and the Wabush Railway Unsecured Creditor Class will be held concurrently at 11:00 a.m. Each Unsecured Creditor Class will vote separately at each Creditors’ Meeting.
53. Notice of the Creditors’ Meetings and the Sanction Hearing will be given in the following ways:
- (a) To each Affected Unsecured Creditor by delivery by the Monitor of the Notice of Creditors’ Meetings and Sanction Hearing, the Creditor Letter, the Proxy, the Resolution, the Plan, the Meetings Order and the Monitor’s report on the Plan to be filed in connection with the Creditors’ Meetings (collectively, the “**Meeting Materials**”);
  - (b) To the Service List by delivery of a copy of the Meetings Materials; and
  - (c) The Meeting Materials will also be posted on the Monitor’s Website and a copy will be provided to any Affected Unsecured Creditor that requests a copy.
54. The notice procedures described above will provide specific notice of the Creditors’ Meetings and of the Sanction Hearing to each Affected Unsecured Creditor, as well as public notice to all stakeholders through the posting of the Meeting Materials on the Monitor’s Website. Accordingly, no newspaper advertisement of the Creditors’ Meetings or the Sanction Hearing is contemplated or, in the Monitor’s view, is required.

55. To facilitate delivery of the Meeting Materials to Employees that are Affected Unsecured Creditors, the Meetings Order requires that Representative Counsel and counsel to the USW provide to the Monitor the addresses of the Employees who they represent that have Proven or Unresolved Claims, as identified on schedules to be provided by the Monitor to Representative Counsel and counsel to the USW. It is the Monitor's understanding that Representative Counsel and counsel to the USW collected such information earlier in the CCAA Proceedings.
56. Affected Unsecured Creditors may attend the applicable Creditors' Meeting in person, in the case of Affected Unsecured Creditors that are individuals, or by proxy. Affected Unsecured Creditors must file their Proxy such that it is received by the Monitor by 5:00 p.m. Eastern Time on May 8, 2018 (the "**Proxy Deadline**").
57. The Meetings Order directs that a representative of the Monitor will preside as the chair of the Creditors' Meetings and, subject to further Order of the Court, will decide all matters relating to the conduct of, the Creditors' Meetings. The Chair may also adjourn a Creditors' Meeting with the consent of the Participating CCAA Parties and the Plan Sponsors, not to be unreasonably withheld.
58. Affected Unsecured Creditors holding Voting Claims or Unresolved Voting Claims will be allowed to vote on the resolution to approve the Plan. The votes of Affected Unsecured Creditors holding Unresolved Voting Claims will be separately tabulated. For the purposes of the applicable Creditors' Meetings, the Pension Claims will be treated as Unresolved Voting Claims such that the Pension Administrator shall be entitled to vote the Pension Claims.
59. The Monitor will file a report to the Court as soon as practicable after the Creditors' Meetings and by no later than May 14, 2018, with respect to:
  - (a) The results of voting at each of the Creditors' Meetings;
  - (b) Whether the Required Majorities of each of Unsecured Creditor Class has approved the Plan;

- (c) The separate tabulation of the Unresolved Voting Claims; and
- (d) In its discretion, any other matter relating to the Participating CCAA Parties' motion seeking sanction of the Plan.

#### **THE MONITOR'S COMMENTS AND RECOMMENDATIONS**

- 60. The Plan is a joint plan of compromise and arrangement covering all of the Participating CCAA Parties. The implementation of the Plan would effect a comprehensive settlement of various significant matters in the CCAA Proceedings. Effecting that settlement through the Plan on a joint basis significantly simplifies matters as compared to having individual plans of arrangement for each of the Participating CCAA Parties. Furthermore, there is, in the Monitor's view, no apparent material prejudice to any creditor of any of the Applicants from the Plan being a joint plan.
- 61. As described earlier in this Report, the Plan provides for limited substantive consolidation of certain classes of unsecured creditors for the purposes of the Plan. For the reasons set out earlier in this Report, the Monitor is of the view that the limited substantive consolidation of certain classes of unsecured creditors for the purposes of the Plan is reasonable and appropriate and that there is no apparent material prejudice arising therefrom.
- 62. As described later in this Report, the Monitor is of the view that the Plan provides significant incremental recoveries for third-party unsecured creditors in addition to other benefits, including the settlement of various significant matters in the CCAA Proceedings. The Monitor is of the view that the proposed settlement of such matters that would be implemented through the Plan is reasonable and in the best interests of all stakeholders.
- 63. The granting of the Meetings Order would provide the forum for Affected Unsecured Creditors to consider and vote on the Plan and the proposed settlement that underpins it.

64. In the Monitor's view, there is nothing about the Plan that would render it incapable of being approved by the creditors or sanctioned by the Court.

65. Section 22 of the CCAA states:

“22 (1) A debtor company may divide its creditors into classes for the purpose of a meeting to be held under section 4 or 5 in respect of a compromise or arrangement relating to the company and, if it does so, it is to apply to the court for approval of the division before the meeting is held.

(2) For the purpose of subsection (1), creditors may be included in the same class if their interests or rights are sufficiently similar to give them a commonality of interest, taking into account

(a) the nature of the debts, liabilities or obligations giving rise to their claims;

(b) the nature and rank of any security in respect of their claims;

(c) the remedies available to the creditors in the absence of the compromise or arrangement being sanctioned, and the extent to which the creditors would recover their claims by exercising those remedies; and

(d) any further criteria, consistent with those set out in paragraphs (a) to (c), that are prescribed.”

66. The Monitor has considered the factors set out in section 22(2) of the CCAA and is of the view that the classification of creditors as contemplated by the Plan and the Meetings Order is reasonable and appropriate.

67. Furthermore, in the view of the Monitor:
- (a) The Meetings Order provides for reasonable and sufficient notice of the Creditors' Meetings to be provided to Affected Unsecured Creditors;
  - (b) The Proxy Deadline is reasonable in the circumstances; and
  - (c) The provisions of the Meetings Order governing the conduct of the Creditors' Meetings are reasonable and appropriate in the circumstances.
68. Accordingly, the Monitor respectfully recommends that the Participating CCAA Parties' request for the Meetings Order be granted.

## **THE MONITOR'S ASSESSMENT OF THE PLAN**

### **JOINT PLAN**

69. As described earlier in this Report, the implementation of the Plan would effect a comprehensive settlement of various significant matters in the CCAA Proceedings and, as described in more detail later in this Report, would provide substantial incremental benefit to Affected Third Party Unsecured Creditors. Effecting that settlement through the Plan on a joint basis significantly simplifies matters as compared to having individual plans of arrangement for each of the Participating CCAA Parties. Furthermore, there is, in the Monitor's view, no apparent material prejudice to any creditor of any of the Applicants from the Plan being a joint plan.
70. As described earlier in this Report, the Plan provides for limited substantive consolidation of certain classes of unsecured creditors for the purposes of the Plan. For the reasons set out earlier in this Report, the Monitor is of the view that the limited substantive consolidation of certain classes of unsecured creditors for the purposes of the Plan is reasonable and appropriate and that there is no material prejudice arising therefrom.

### **CLASSIFICATION OF CREDITORS**

71. As described earlier in this Report, the Monitor has considered the factors set out in section 22(2) of the CCAA and is of the view that the classification of creditors as contemplated by the Plan and the Meetings Order is reasonable and appropriate.

### **COMPLIANCE WITH STATUTORY REQUIREMENTS**

72. A plan of compromise or arrangement can only be sanctioned by the Court if, amongst other things, it complies with all statutory requirements.
73. Section 5.1(1) of the CCAA contemplates the compromise of claims against directors but section 5.1(2) of the CCAA mandates certain exceptions. Section 10.1(a) of the Plan includes the statutory exceptions required by the CCAA in respect of the release for directors of the Participating CCAA Parties provided for in the Plan.
74. Section 6(3) of the CCAA requires that the Plan provide for the payment in full of certain Crown claims within six months of the Sanction Order. Section 5.8 of the Plan provides that the Government Priority Claims, if any, will be paid in compliance with section 6(3) of the CCAA.
75. Section 6(5) of the CCAA requires that the Plan provide for payment immediately after sanction of certain amounts owing to employees and former employees. Section 5.8 of the Plan provides that Employee Priority Claims, if any, will be paid compliance with section 6(5) of the CCAA.
76. Section 6(6) of the CCAA requires that the Plan provide for payment of certain unpaid amounts relating to pension plans and that the Court be satisfied that such claims can and will be paid. As noted above, such claims, if any, will be treated as Secured Claims under the Plan and, accordingly, will be paid.



77. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. Section 5.7 of the Plan provides that no payments will be made on account of equity claims.
78. Pursuant to section 19(2) of the CCAA, a plan of compromise or arrangement may not deal with any claim that relates to the debts or liabilities described in section 19(2) unless the plan explicitly provides for the compromise of such claim and the creditor holding the claim votes in favour of the plan. Section 5.12 of the Plan provides that Claims listed under Section 19(2) of the CCAA (“**Section 19(2) Claims**”) shall be Affected Claims for the purposes of the Plan; provided, however, that section 19(2) Claims shall be deemed Unaffected Claims to the extent held by any Creditors who have not voted in favour of the Plan.
79. Based on the foregoing, the Monitor is not aware of any aspect of the Plan that is not in compliance with statutory requirements.

**ESTIMATED RECOVERIES FOR AFFECTED UNSECURED CREDITORS UNDER THE PLAN**

80. As noted earlier in this Report, the Plan seeks to implement the principal terms of a proposed settlement between the Participating CCAA Parties and Non-Filed Affiliates, as negotiated between the Monitor and the Non-Filed Affiliates and as set out in the Restructuring Term Sheet.
81. The Plan provides for the resolution of matters pertaining to:
- (a) Non-Filed Affiliate Transaction Claims;
  - (b) The quantum of claims of certain Non-Filed Affiliates and certain CCAA Parties, that have not yet been finally determined in accordance with the Claims Procedure Order; and
  - (c) The proper characterization of claims of certain Non-Filed Affiliates and certain CCAA Parties filed pursuant to the Claims Procedure Order.

82. Pursuant to the Plan, the Non-Filed Affiliate Distribution/Payment Contribution will be contributed for the benefit of the Affected Unsecured Creditors of the CQIM/Quinto Parties, including any other CCAA Parties that are creditors of CQIM or Quinto. In addition, the Non-Filed Affiliates will make the Non-Filed Affiliate Cash Contribution for the benefit of the Affected Third Party Unsecured Creditors of the Participating CCAA Parties.

***Potential Range of Amounts to be Contributed by the Non-Filed Affiliates***

83. The amounts available for payment to Secured Creditors and Affected Unsecured Creditors remains uncertain because of a variety of unresolved matters in the CCAA Proceedings, including the appeal of the Allocation Methodology, the appeal of the Pension Priority Decision, the unresolved OPEB Claims, other unresolved claims and the potential additional realizations.
84. Accordingly, the Monitor estimated the range of the potential amount to be contributed by the Non-Filed Affiliates using, *inter alia*, the following assumptions:
- (a) Scenario 1 – low distribution to Affected Unsecured Creditors which assumes the following:
    - (i) There are no additional realizations;
    - (ii) Unresolved claims are allowed in the amount filed; and
    - (iii) Pension Claims are determined to be subject to a deemed trust over all Wabush CCAA Party assets in priority to all other Claims;
  - (b) Scenario 2 – high distribution to Affected Unsecured Creditors which assumes the following:
    - (i) Incremental realizations from various tax refunds, the MFC Minimum Royalty Litigation and other minor assets:

(ii) Unresolved claims are allowed at the minimum potential amount; and

(iii) Pension Claims are unsecured claims;

85. Based on the foregoing, the Monitor estimates that the potential range of aggregate secured and unsecured distributions to the Non-Filed Affiliates is approximately \$57 million to \$95 million.

86. Accordingly, including the Non-Filed Affiliate Cash Contribution of \$5 million, the total amount being contributed by the Non-Filed Affiliates is estimated to be in the potential range of approximately \$62 million to \$100 million.

***Potential Range of Distributions to Affected Third-Party Unsecured Creditors***

87. The Monitor estimated the range of potential distributions to Affected Third Party Unsecured Creditors under the Plan under the scenarios described above. The estimated potential distributions are summarized as follows:

	Scenario 1	Scenario 2
<b>Distribution \$M</b>		
CQIM/Quinto	71.92	105.03
BL Parties	13.80	25.31
Wabush Mines Parties	0.23	20.41
Arnaud	0.04	15.69
Wabush Railway	0.09	0.10
<b>Total</b>	<b>86.08</b>	<b>166.54</b>
<b>Distribution %</b>		
CQIM/Quinto	10.09%	14.87%
BL Parties	1.84%	3.51%
Wabush Mines Parties	0.09%	9.65%
Arnaud	0.09%	18.67%
Wabush Railway	0.09%	0.10%

88. As described above, Scenario 1 assumes that there is a valid deemed trust over all the assets of the Wabush CCAA Parties for the Pension Claims in priority to all other Claims, other than Claims secured by the CCAA Charges. As the Pension Claims exceed the aggregate of realizations available to creditors of the Wabush CCAA Parties after application of the Allocation Methodology, there would be no monies available for distribution to Affected Unsecured Creditors of the Wabush CCAA Parties in Scenario 1 other than the share of the Non-Filed Affiliate Cash Contribution allocated to the Unsecured Creditor Cash Pools for the Wabush Mines Parties Unsecured Creditor Class, the Arnaud Unsecured Creditor Class and the Wabush Railway Unsecured Creditor Class. In Scenario 1, the estimated distribution on account of the Pension Claims is approximately \$46.0 million.

**ALTERNATIVES TO THE PLAN AND ESTIMATED RECOVERIES**

89. If the Plan is not implemented the Non-Filed Affiliates would be entitled to distributions from the estates of the Participating CCAA Parties and the Non-Filed Affiliate Distribution/Payment Contribution and the Non-Filed Affiliate Cash Contribution would be unavailable to Affected Third Party Unsecured Creditors.
90. The Monitor has estimated the range of potential distributions to Affected Third Party Unsecured Creditors under the scenarios described above if the Plan is not implemented and without any recovery from successful litigation in respect of Non-Filed Affiliate Transaction Claims. The estimated potential distributions are summarized as follows:

	Scenario 1	Scenario 2
<b>Distribution \$M</b>		
CQIM/Quinto	17.61	20.69
BL Parties	13.15	24.11
Wabush Mines Parties	0.00	5.80
Arnaud	0.00	15.43
Wabush Railway	0.00	0.01
<b>Total</b>	<b>30.76</b>	<b>66.04</b>
<b>Distribution %</b>		
CQIM/Quinto	2.47%	2.93%
BL Parties	1.75%	3.34%
Wabush Mines Parties	0.00%	2.75%
Arnaud	0.00%	18.37%
Wabush Railway	0.00%	0.01%

91. If the Plan is not approved and implemented, there would be no monies available for distribution to Affected Unsecured Creditors of the Wabush CCAA Parties in Scenario 1 as the Pension Claims exceed the aggregate of realizations available to creditors of the Wabush CCAA Parties after application of the Allocation Methodology and the Non-Filed Affiliate Cash Contribution would not be available. The estimated distribution, if the Plan is not approved and implemented, on account of the Pension Claims in Scenario 1, is approximately \$38.9 million.
92. The increase in estimated potential distributions resulting from the Plan is summarized as follows:

	Scenario 1	Scenario 2
<b>Increased Distribution \$M</b>		
CQIM/Quinto	54.31	84.34
BL Parties	0.65	1.20
Wabush Mines Parties	0.23	14.00
Arnaud	0.04	0.26
Wabush Railway	0.09	0.09
<b>Total</b>	<b>55.32</b>	<b>99.89</b>
<b>% Increase</b>		
CQIM/Quinto	308.37%	407.62%
BL Parties	4.92%	4.98%
Wabush Mines Parties	100.00%	251.59%
Arnaud	100.00%	1.66%
Wabush Railway	100.00%	1065.32%

93. If the Plan is not approved and implemented, the proposed settlement of the Non-Filed Affiliate Transaction Claims would not proceed and CQIM or its creditors would have to pursue recovery through litigation.
94. The Monitor has estimated the amount that would have to be recovered through successful litigation in respect of the Non-Filed Affiliate Transaction Claims in order to obtain an equivalent increase in estimated distributions as that provided by the Plan. In making that estimate, the Monitor has assumed that transactions in question are voided, for example as preferences under section 95 of the *Bankruptcy and Insolvency Act*, such that realizations are increased (either through a return and sale of the assets or a monetary award) and the reduction of the claims of the Non-Filed Affiliates that resulted from the Non-Filed Affiliate Transaction Claims is reversed.
95. On that basis, the Monitor estimates that the amounts that would have to be recovered from any litigation in respect of the Non-Filed Affiliate Transaction Claims in order to obtain an equivalent increase in estimated distributions to Affected Third Party Unsecured Creditors as that provided by the Plan are as follows:
  - (a) Scenario 1 – approximately \$228 million; and
  - (b) Scenario 2 – approximately \$347 million.
96. While the Monitor is of the view that the Non-Filed Affiliate Transaction Claims are strong, there is always risk that litigation would not be successful. The Monitor has been informed by the Non-Filed Affiliates that they deny that there is any liability for the Non-Filed Affiliate Claims and that they would vigorously defend any litigation in respect thereof. Accordingly, there would be significant risk, time and expense associated with litigating such claims. Of particular significance would be the issue of the valuation of the assets that were transferred and debate over the applicable date for such valuation.

97. Successful litigation may result in a voiding of the transactions or a monetary award. If the transactions were to be voided, the assets, consisting of cash and shares, would revert to the CCAA Parties. The cash may or may not be traceable and collectable and the CCAA Parties would have to endeavour to sell the shares of the Australian subsidiary. If litigation resulted in a monetary award, there may be complexities associated with the enforcement of such award in a foreign jurisdiction and a significant collection risk depending on which of the Non-Filed Affiliates any such award is rendered against.
98. The Monitor has considered these risk factors and undertaken a high-level review of the potential value of the shares of the Australian subsidiary that was transferred from CQIM and is of the view that litigation is unlikely to realize value sufficient to provide a better result for third-party creditors than the Plan. Furthermore, the Plan provides certainty of outcome with respect to the Non-Filed Affiliate Transaction Claims and would significantly accelerate the timing of initial distributions to Affected Third Party Unsecured Creditors of CQIM, BLLP and BLGP.

#### **TREATMENT OF SHAREHOLDERS**

99. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. The Plan does not provide for any payment on account of Equity Claims and such claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred. Equity Interests are unaffected by the Plan.
100. Given the shortfall on account of claims of Affected Unsecured Creditors, in the Monitor's view the treatment of shareholders is justified, fair and reasonable.

## **THE RELEASES**

101. The BL/Wabush Releases and the Third Party Releases are an integral part of the Plan. As noted earlier in this Report, The BL/Wabush Releases do not release or discharge:
  - (a) Unaffected Claims;
  - (b) Any BL/Wabush Released Party if such BL/Wabush Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct;
  - (c) The Directors with respect to matters set out in section 5.1(2) of the CCAA; or
  - (d) The Non-Filed Affiliate Employee Defendants from Non-Filed Affiliate Employee Claims to the extent the Non-Filed Affiliate Employee Defendants may otherwise be BL/Wabush Released Parties.
102. In the view of the Monitor, the BL/Wabush Releases and the Third Party Releases are reasonable and justified in the circumstances.
103. The Non-Filed Affiliate Releases are an integral part of the proposed settlement with the Non-Filed Affiliates and, consequently, are a necessary and integral part of the Plan. The Non-Filed Affiliates will only provide the significant consideration comprised of the Non-Filed Affiliate Distribution/Payment Contribution and the Non-Filed Affiliate Cash Contribution if the Plan is approved and implemented.
104. As discussed earlier in this Report, the Non-Filed Affiliate Releases do not release or discharge:
  - (a) The Non-Filed Affiliate Employee Defendants from the Non-Filed Affiliates Employee Claims; and



- (b) Any Non-Filed Affiliate Released Party if such Non-Filed Affiliate Released Party is judged by the express terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct.
105. Consequently, in addition to benefiting from the increased distributions on account of their Affected Unsecured Claims against certain of the Participating CCAA Parties, the plaintiffs in the actions in respect of the Non-Filed Affiliates Employee Claims are not prejudiced by the Non-Filed Affiliate Releases.
106. Accordingly, in the view of the Monitor, the Non-Filed Affiliate Releases are reasonable and justified in the circumstances.

**OTHER BENEFITS OF THE PLAN**

107. In addition to the benefit of increased recoveries for Affected Third Party Unsecured Creditors, the implementation of the Plan would provide the following additional benefits:
- (a) Resolution of 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 to further investigate and adjudicate such claims;
  - (b) Resolution of the Non-Filed Affiliate Transaction Claims without the significant time and expense of litigation and the litigation and collection risks associated therewith; and
  - (c) Acceleration of initial distributions to Affected Third Party Unsecured Creditors of the CQIM/Quinto Parties and the Bloom Lake Parties.

## **REQUEST FOR THE POST-FILING CLAIMS PROCEDURE ORDER**

108. In order to ensure that all post-filing creditors are paid and to assist in the calculation of the reserves necessary to make any interim distribution under the Plan, the CCAA Parties now request the granting of the Post-Filing Claims Procedure Order. Capitalized terms used in this section of this Report not otherwise defined are as defined in the proposed Post-Filing Claims Procedure Order, a copy of which is attached hereto as **Appendix C**.

## **THE PROPOSED POST-FILING CLAIMS PROCEDURE ORDER**

109. The Post-Filing Claims Procedure Order, if granted, will provide a procedure for the submission, evaluation and adjudication of claims against each of the CCAA Parties that arose after the Determination Date and of claims against their respective Directors and Officers that arose after the D&O Claims Bar Date. The Post-Filing Claims Procedure will be administered by the Monitor in consultation with the CCAA Parties and the D&O Counsel as appropriate. The Post-Filing Claims Procedure Order and the relevant documents will be made available in both English and French.

110. The key steps of the Post-Filing Claims Procedure are summarized as follows:

- (a) Within five business days after the granting of the Post-Filing Claims Procedure Order, the Monitor will post the relevant documents and forms on the Monitor's Website;
- (b) Within ten business days after the granting of the Post-Filing Claims Procedure Order, the Monitor will cause the Post-Filing Creditors' Instructions to be sent to:
  - (i) Each Person on the Potential Post-Filing Creditors List to the address of such Person as set out in the Monitor's records or the applicable CCAA Party's records;

- (ii) Representative Counsel; and
  - (iii) USW Counsel;
- (c) The Newspaper Notice will be published in English in the national edition of the Globe and Mail and in the Newfoundland & Labrador Telegram and in French in La Presse as soon as possible after the granting of the Post-Filing Claims Procedure Order and in any event within ten business days;
- (d) Any Person who wishes to assert a Post-Filing Claim against any of the CCAA Parties shall file a Proof of Post-Filing Claim with the Monitor so that the Proof of Post-Filing Claim is received by the Monitor by no later than the Post-Filing Claims Bar Date, failing which such Post-Filing Claim shall be barred and extinguished;
- (e) Any Person who wishes to assert a D&O Post-Filing Claim against any of the Directors or Officers shall file a D&O Proof of Post-Filing Claim with the Monitor so that the D&O Proof of Post-Filing Claim is received by the Monitor by no later than the D&O Post-Filing Claims Bar Date, failing which such D&O Post-Filing Claim shall be barred and extinguished;
- (f) Representatives have the right to file, for and on behalf of any Represented Employee, one or more collective or individual Proofs of Post-Filing Claim, including with respect to D&O Post-Filing Claims, if any;
- (g) Each Proof of Post-Filing Claim will be reviewed by the Monitor in consultation with the CCAA Parties and the Monitor may revise or disallow such Post-Filing Claim by sending a Post-Filing Notice of Revision or Disallowance to the Creditor;

- (h) If a Post-Filing Creditor wishes to contest the revision or disallowance of its Post-Filing Claim, then such Post-Filing Creditor must file a Post-Filing Notice of Dispute with the Monitor by no later than 5:00 p.m. on the date that is fourteen days after the date of the Post-Filing Notice of Revision or Disallowance or such later date as may be ordered by the Court;
  - (i) Following any such dispute, the Monitor, in consultation with the CCAA Parties, may:
    - (i) Request additional information from the Post-Filing Creditor;
    - (ii) Consensually resolve the disputed Post-Filing Claim with the Post-Filing Creditor;
    - (iii) Deliver a Post-Filing Dispute Package to a Claims Officer appointed in accordance with this Post-Filing Claims Procedure Order for such disputed Post-Filing Claim to be adjudicated by the Claims Officer; or
    - (iv) Bring a motion before the Court in these CCAA Proceedings to adjudicate the disputed Post-Filing Claim.
  - (j) Any decision by the Claims Officer may be appealed to the Court; and
  - (k) The procedure and timelines for the adjudication of D&O Post-Filing Claims mirror that for the adjudication of Post-Filing Claims but provide for consultation with D&O Counsel.
111. Persons with Post-Filing Excluded Claims are not required to file a Post-Filing Proof of Claim.

112. The proposed Post-Filing Claims Bar Date is 5:00 p.m. Eastern time on May 21, 2018, or such other date as may be ordered by the Court. The proposed D&O Post-Filing Claims Bar Date is also 5:00 p.m. Eastern time on May 21, 2018, or such other date as may be ordered by the Court.

**THE MONITOR'S COMMENTS AND RECOMMENDATION**

113. It is important that Post-Filing Claims against the CCAA Parties be determined in order to ensure that all post-filing creditors are paid and to assist in the calculation of the reserves necessary to make any interim distribution under the Plan. It is also important to determine the potential D&O Post-Filing Claims because of the existence of the D&O Charges and potential indemnity Post-Filing Claims by Directors and Officers against the CCAA Parties.
114. The Post-Filing Claims Procedure is modelled on, and closely resembles, the Claims Procedure approved pursuant to the Claims Procedure Order granted earlier in the CCAA Proceedings.
115. The Monitor is of the view that the Post-Filing Claims Procedure is appropriate, fair and reasonable in the circumstances and that the granting of the Post-Filing Claims Procedure Order is justified.
116. Accordingly, the Monitor respectfully recommends that the CCAA Parties' request for the Post-Filing Claims Procedure Order be granted.

The Monitor respectfully submits to the Court this, its Forty-Fourth Report.

Dated this 22<sup>nd</sup> day of March, 2018.

FTI Consulting Canada Inc.

In its capacity as Monitor of

Bloom Lake General Partner Limited, Quinto Mining Corporation,

8568391 Canada Limited, Cliffs Québec Iron Mining ULC,

Wabush Iron Co. Limited, Wabush Resources Inc.,

The Bloom Lake Iron Ore Mine Limited Partnership,

Bloom Lake Railway Company Limited, Wabush Mines,

Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin  
Senior Managing Director



Michael Basso  
Director