

**SCHEDULE "A"**  
**FORM OF APPROVAL AND VESTING ORDER**  
**(ATTACHED)**

**SUPERIOR COURT**  
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-048114-157

DATE: November 18, 2016

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**PRESIDING: [THE HONOURABLE STEPHEN W. HAMILTON J.S.C.]**

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

**WABUSH IRON CO. LIMITED**

**WABUSH RESOURCES INC.**

**WABUSH LAKE RAILWAY COMPANY LIMITED**

Petitioners

-and-

**NEWFOUNDLAND AND LABRADOR HYDRO**

Mise-en-cause

-and-

**THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**APPROVAL AND VESTING ORDER**

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[1] **ON READING** the Petitioners' *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the **[NUMBER]** Report of the Monitor dated **<\*>**, 2016 (the "**Report**");

- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys;
- [4] **SEEING** that no creditor has objected to the Motion;
- [5] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated as of November 3, 2016 by and among the Petitioners Wabush Iron Co. Limited, Wabush Resources Inc. and Wabush Lake Railway Company Limited, as vendors (collectively, the "**Vendors**"), and the Mise-en-cause Newfoundland and Labrador Hydro, as purchaser (the "**Purchaser**"), a copy of which was filed as Exhibit R-7 to the Motion, and vesting in the Purchaser all of Vendors' right, title and interest in and to all of the Purchased Assets (as defined in the Purchase Agreement).

**FOR THESE REASONS, THE COURT HEREBY:**

- [6] **GRANTS** the Motion.
- [7] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

**SERVICE**

- [8] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [9] **PERMITS** service of this Order at any time and place and by any means whatsoever.

**SALE APPROVAL**

- [10] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendors is hereby authorized and approved, *nunc pro tunc*.
- [11] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

**AUTHORIZATION**

- [12] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Transaction and that no other approval or authorization, including any board or shareholder approval, shall be required in connection therewith.

**EXECUTION OF DOCUMENTATION**

- [13] **AUTHORIZES AND DIRECTS** the Vendors, the Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, with such non-material alterations, changes, amendments,

deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

### **VESTING OF THE PURCHASED ASSETS**

- [14] **ORDERS and DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest free and clear, absolutely and exclusively in and with the Purchaser, from any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendors should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**" ), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Newfoundland and Labrador *Personal Property Security Act*, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [15] **ORDERS AND DIRECTS** the Monitor, upon receipt of (i) payment in full of the Purchase Price, Transfer Taxes (if any are payable and not required to be self assessed by the Purchaser) for remittance to the applicable taxation authorities in accordance with Applicable Law, in the amounts set out in the Conditions Certificates, and (ii) each of the Conditions Certificates, to (a) issue forthwith its Certificate concurrently to the Vendors and the Purchaser; and (b) file forthwith after issuance thereof a copy of the Certificate with the Court.
- [16] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [17] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Purchase Price and to remit the Purchase Price in accordance with the provisions of this Order.

### **CANCELLATION OF SECURITY REGISTRATIONS**

- [18] **ORDERS** the Registrar of Deeds for the Province of Newfoundland and Labrador, upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land

Register showing the Purchaser as the owner of the immovable property identified in **Schedule "C"** hereto (the "**Immovable Property**") and (ii) to cancel any and all Encumbrances on the Immovable Property (other than Permitted Encumbrances), including, without limitation, the registrations published at the said Registry Office listed on **Schedule "D"** hereto.

- [19] **ORDERS** the Registrar of Deeds for the Province of Newfoundland and Labrador, upon presentation of a Deed of Conveyance in registrable form under the *Registration of Deeds Act*, 2009 (Newfoundland and Labrador) duly executed by any one or more Vendors selling, assigning, transferring and conveying real property in Newfoundland and Labrador to the Purchaser, appending a copy of this Order and the Certificate in the form appended as Schedule "A", to register such Deed of Conveyance in the Registry of Deeds for Newfoundland and Labrador.

### **NET PROCEEDS**

- [20] **ORDERS** that any amounts payable to the Vendors in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendors pending further order of the Court.
- [21] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after Closing, to remit to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes (if any are payable and not required to be self assessed by the Purchaser) received by the Monitor from the Purchaser on Closing as set out in the Conditions Certificates, at the direction of, and on behalf of the Vendors, and, if required pursuant to Section 3.5 of the Purchase Agreement, to remit any amounts held by the Monitor in trust pursuant to Section 3.5(8) of the Purchase Agreement and payable to the Receiver General for Canada for the account of Wabush Iron in accordance with Section 3.5 of the Purchase Agreement.
- [22] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for the Transfer Taxes (if any are paid by the Purchaser to the Monitor on Closing), the remittance of any amounts to the Receiver General for Canada and other amounts that are remitted by the Monitor pursuant to Paragraph [21] of this Order (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that upon the issuance of the Certificate, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing, as if the Purchased Assets had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the Closing.
- [23] **ORDERS** that, following the issuance of the Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

### **VALIDITY OF THE TRANSACTION**

- [24] **ORDERS** that notwithstanding:
- a) the pendency of the proceedings under the CCAA;

- b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) and any order issued pursuant to any such petition;
- c) any application for a receivership order; or
- d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### **LIMITATION OF LIABILITY**

- [25] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.
- [26] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

### **GENERAL**

- [27] **DECLARES** that the Vendors and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [28] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [29] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
- [30] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
- [31] **ORDERS** the provisional execution of this Order, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT COSTS**, save in case of contestation.

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**[STEPHEN W. HAMILTON J.S.C.]**

**SCHEDULE "A" TO APPROVAL AND VESTING ORDER**

**FORM OF CERTIFICATE OF THE MONITOR**

**SUPERIOR COURT**

(Commercial Division)

**C A N A D A**

**PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**File: No:** 500-11-048114-157

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**THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND  
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Mise-en-cause

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**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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**RECITALS**

- A.** Pursuant to an order of the Superior Court of Québec, [Commercial Division] (the "**Court**") granted May 20, 2015, FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited,



Wabush Resources Inc., Arnaud Railway Company, Wabush Mines and Wabush Lake Railway Company Limited (collectively, the “**Wabush CCAA Parties**”).

- B. Pursuant to an order (the “**Approval and Vesting Order**”) rendered by the Court on <\*>, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of [DATE], 2016 (the “**Purchase Agreement**”) by and among Wabush Iron Co. Limited, Wabush Resources Inc. and Wabush Lake Railway Company Limited as vendors (the “**Vendors**”), and Newfoundland and Labrador Hydro, as purchaser (the “**Purchaser**”) was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).
- C. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- D. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the “**Certificate**”) issued by the Monitor confirming that the Vendors and the Purchaser have each delivered Conditions Certificates to the Monitor.
- E. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- F. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

**THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER THE MONITOR CERTIFIES THE FOLLOWING:**

1. The Monitor has received (i) payment in full of the Purchase Price, and (ii) payment in full of the Transfer Taxes (if any are payable and not required to be self-assessed by the Purchaser) in the amounts set out in the Conditions Certificates.
2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred on at <TIME> on <\*>, 2016.

**THIS CERTIFICATE** was issued by the Monitor at <TIME> on <\*>, 2016.

***FTI Consulting Canada Inc., in its capacity as  
Monitor of the CCAA Parties, and not in its  
personal or corporate capacity.***

By: \_\_\_\_\_

Name: Nigel Meakin

## **SCHEDULE "B" TO APPROVAL AND VESTING ORDER**

### **PERMITTED ENCUMBRANCES**

1. Servitudes or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Owned Real Property, provided such servitudes or rights-of-way are registered on title to the Owned Real Property;
2. Servitudes for the supply of utilities to the Owned Real Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided such servitudes are registered on title to the Owned Real Property;
3. Any unregistered servitudes or rights of way by Hydro-Québec to occupy a part of the Owned Real Property to install any circuits, poles and necessary equipment required for the connection or the network, in accordance to its by-law number 634 relating to the supply of electricity and any servitudes granted prior to January 1, 1917 which affect the Owned Real Property;
4. Restrictive covenants, private deed restrictions and other similar land use control agreements, provided they are registered on title to the Owned Real Property;
5. Any minor encroachments by any structure located on the Owned Real Property onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Owned Real Property;
6. Any title defects, irregularities, easements, servitudes, encroachments or rights-of-way or other discrepancies in title or possession relating to the Owned Real Property;
7. The provisions of Applicable Laws, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning;
8. Any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent;
9. Leases and any registrations or notices with respect to the leases, provided such leases have not expired by their terms or have otherwise been terminated;
10. Any adverse claim made by an aboriginal group or person in respect of the real property;
11. H&H Enterprises previously leased a lot on Highway 500 from Wabush Iron and Wabush Resources in the Wabush Mountain Area and Lot 4. The lease has recently expired and the tenant vacated the premises. H&H Enterprises has approached Vendors requesting to purchase or lease the premises, but no agreement for sale or lease has yet been negotiated or concluded;
12. Certain land in Lot 4 and Lot 3 of Wabush Iron and Wabush Resources is currently utilized for Highways 500 and 503;
13. Certain land in the Wabush Mountain Area is currently utilized by third parties as follows:
  - (a) the airport for a beacon site;
  - (b) Highway 500;
  - (c) QNS&L right-of-way; and
  - (d) 25-foot wide right-of way granted to Iron Ore Company of Canada;

14. Unrecorded easement in favour of Twin Falls Power Corporation Limited for electric transmission lines across Wabush Mountain Area (southern transmission line corridor); and
15. From time to time, third parties may have acquired unregistered interests on the Wabush Mountain Area. Following is a listing of pieces or parcels of land of which the Vendors have knowledge of third party occupation but for which deeds of conveyances, leases or other dispositions cannot be located and are not registered in the Registry of Deeds for Newfoundland and Labrador:

Street	Lot ID	Area (acres)	Entity	Comment
HWY 500	Lot 1	28.4	H&H Enterprises	H&H located along south side of HWY 500 in south-western portion of Wabush Mountain Area. Also located on Lot 4.
HWY 500	N/A	7.6	Department of Highway - Truck Weight Scales	Scales located along south side of HWY 500 and north of QNS&L rail line in southern portion of Wabush Mountain Area.
N/A	N/A	22.3	Twin Falls	Twin Falls transmission line corridor transects southern portion of Wabush Mountain Area on east-west line.
N/A	N/A	N/A	QNS&L	QNS&L rail line transects southern portion of Wabush Mountain Area on east-west line. Also located on Lot No. 4.
HWY 500	N/A	N/A	Department of Transportation	Highway Right of Way transects southern portion of Wabush Mountain Area on east-west line. Also located on Lot No. 4.

## SCHEDULE "C" TO APPROVAL AND VESTING ORDER

### IMMOVABLE PROPERTY

- (a) All real property owned by one or more of the Vendors as described below and as more particularly described in the legal descriptions and surveys attached hereto as Schedules D-1 through D-6, but excluding, for greater certainty, the Bloom Lake Railway Company Assets:

<b>Parcel Name</b>	<b>Location</b>	<b>Area (square metres)</b>	<b>Schedule</b>
Parcel A	Existing Wabush Terminal Station	37370	D-1
Parcel B	Adjacent Wabush Terminal Station	28970	D-2
Parcel C	Adjacent Wabush Terminal Station	3070	D-3
Parcel D	Adjacent Wabush Substation	3170	D-4
Parcel E	Transmission Line Corridor #1		D-5
Parcel F	Transmission Line Corridor #2		D-6

For greater clarity, Parcel E (Transmission Line Corridor #1), Parcel F (Transmission Line Corridor #2), and a portion of the land subject to the Real Property Lease referred to as Transmission Line Corridor #3 are shown in the diagram attached hereto as Schedule D-7.

**SCHEDULE "D" TO APPROVAL AND VESTING ORDER  
ENCUMBRANCES ON IMMOVABLE PROPERTY TO BE DISCHARGED**

Nil