

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF **MONTREAL**

N^o: **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

CLIFFS QUÉBEC IRON MINING ULC

WABUSH IRON CO. LIMITED

WABUSH RESOURCES INC.

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP**

BLOOM LAKE RAILWAY COMPANY LIMITED

WABUSH MINES

ARNAUD RAILWAY COMPANY

WABUSH LAKE RAILWAY COMPANY LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

MOTION FOR THE ISSUANCE OF AN ORDER EXTENDING THE STAY PERIOD¹

(Section 11 of the *Companies' Creditors Arrangement Act*)

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

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

1. BACKGROUND

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

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

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

8. On November 5, 2015, Mr. Justice Hamilton issued an order (as amended by an order of the Court issued on November 16, 2015 and as further amended from time to time, the “**Amended Claims Procedure Order**”), *inter alia*:

- a) approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers; and
- b) ordering the extinguishment of all Claims, D&O Claims and Restructuring Claims (as each such term is defined in the Amended Claims Procedure Order) not filed in accordance with the applicable deadlines set out in the Amended Claims Procedure Order.

the whole as appears from a copy of the Amended Claims Procedure Order, which forms part of the Court record.

9. On March 26, 2018, Mr. Justice Hamilton issued an order (the “**Post-Filing Claims Procedure Order**”), *inter alia*,

- a) approving a procedure for the submission, evaluation and adjudication of post-filing claims, if any, against the CCAA Parties and their current and former directors and officers; and
- b) ordering the extinguishment of all Post-Filing Claims and Post-Filing D&O Claims (each as defined in the Post-Filing Claims Procedure Order) not filed in accordance with the applicable deadlines set out in the Post-Filing Claims Procedure Order.

10. On April 20, 2018, Mr. Justice Hamilton issued an order (as rectified on April 25, 2018 (the “**Original Meetings Order**”), *inter alia*, accepting the filing of a Joint Plan of Compromise and Arrangement dated April 16, 2018 (the “**Original Plan**”) by the Participating CCAA Parties, authorizing the Participating CCAA Parties (as defined therein) to hold Meetings of the Unsecured Creditor Classes (as defined therein) to consider and vote on a resolution to approve the Original Plan, and permitting amendments to the Original Plan without further order of the Court only until May 18, 2018.

11. On May 18, 2018, Mr. Justice Hamilton issued an order (the “**Amended Meetings Order**”), which, *inter alia*, accepted the filing of the Amended and Restated Joint Plan of Compromise and Arrangement in respect of the Participating CCAA Parties (as defined

therein), dated May 16, 2018 (as it may be further amended, restated or supplemented from time to time, the “**Plan**”), authorizing the Participating CCAA Parties to convene meetings of Unsecured Creditor Classes (as defined therein) of the Participating CCAA Parties (the “**Meetings**”) to consider and vote on a resolution to approve the Plan.

12. The Plan effected comprehensive settlements reached in respect of Pension Claims (as defined therein), claims in respect of other post-retirement employee benefit, Other Employee Claims (as defined therein) and the Non-Filed Affiliate Employee Actions (as defined therein).
13. In particular, the Plan settled claims arising from any failure of the Wabush CCAA Parties to make certain normal course payments or special payments under the Wabush CCAA Parties' pension plans and for the wind-up deficit under the Wabush CCAA Parties' defined benefit pension plans pursuant to the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Standards Act (Canada)* and the *Supplemental Pension Plans Act (Québec)*. In connection with implementation of the Plan, Notices of Discontinuances have since been filed with the Québec Court of Appeal, the Supreme Court of Canada and the Newfoundland and Labrador Supreme Court Trial Division (General) in connection with the proceedings commenced before such courts related to such claims.
14. On June 18, 2018, the Meetings were held in accordance with the Plan and the Amended Meetings Order, and the Plan was approved by the Classes of Affected Unsecured Creditors (as defined therein), the whole as appears from the Court record.
15. On June 29, 2018, Mr. Justice Hamilton issued the Sanction Order dated June 29, 2018 (the “**Plan Sanction Order**”), the whole as appears from the Court record.
16. On July 30, 2018, Mr. Justice Hamilton issued the Plan Modification Order dated July 30, 2018 (the “**Plan Modification Order**”), pursuant to which minor modifications were made to the Plan in order to avoid unanticipated tax consequences, the whole as appears from the Court record.
17. On July 31, 2018, the Monitor issued the Plan Implementation Date Certificate, confirming the implementation of the Plan on July 31, 2018, the whole as appears from the Court record.
18. On or about August 10, 2018, the Monitor commenced interim distributions to non-employee Affected Creditors holding Proven Claims (as defined therein) under the Plan.
19. The Monitor has informed the CCAA Parties that all Affected Creditors with secured claims that have been finally determined or resolved have been paid commencing on or about August 24, 2018. Certain secured claims remain unresolved including those secured claims that are affected by the outcome of certain municipal tax assessment appeals, as discussed further below.
20. On or about September 5, 2018, after confirming the amount of applicable withholdings with the applicable taxing authorities, the Monitor commenced interim distributions to employee Affected Creditors holding Proven Claims under the Plan. The Monitor has informed the CCAA Parties that all employee Affected Creditors holding Proven Claims have been paid their interim distributions.

21. The Stay Period has been extended by order of the Court from time to time, most recently on May 10, 2019, and currently expires on February 28, 2020, as appears from the Court record.
22. On December 3, 2019, the Court approved further modifications to the Plan in connection with the Court's approval of the Wabush Late Claims (as defined below), as discussed further below.

2. ORDER SOUGHT

23. On this Motion, the CCAA Parties hereby seek the issuance of an Order which provides for the extension of the Stay Period in respect of the CCAA Parties until November 30, 2020, substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the "**Draft Stay Extension Order**").

3. OVERVIEW OF NOTABLE OUTSTANDING MATTERS

3.1 The Post-Filing Claims Procedure

24. On March 26, 2018, this Court granted the Post-Filing Claims Procedure Order to govern the review, determination, adjudication or compromise of Post-Filing Claims and D&O Post-Filing Claims (each as defined in the Post-Filing Claims Procedure Order).
25. The Post-Filing Claims Procedure Order provided for a claims bar date for D&O Post-Filing Claims and Post-Filing Claims of 5:00 p.m. on May 21, 2018.
26. The Monitor had previously informed the CCAA Parties that Post-Filing Claims with an aggregate value of \$2.8 million were received under the Post-Filing Claims Procedure Order, including one D&O Post-Filing Claim in the amount of \$30,000.00, in each case by the applicable claims bar date.
27. The Monitor has informed the CCAA Parties that all Post-Filing Claims filed in accordance with the provisions of the Post-Filing Claims Procedure Order, including the one D&O Post-Filing Claim, have been finally determined, except two claims, each in the amount of \$11,983,831.37, by the City of Fermont, which claims are subject to the municipal tax contestation with the City of Fermont as discussed below.
28. In addition to the Post-Filing Claims filed by other creditors in accordance with the provisions of the Post-Filing Claims Procedure Order, Commission Scolaire du Fer ("**Commission Scolaire**") sent an email to the Monitor on May 18, 2018, prior to the Post-Filing Claims Bar Date stating:

"Je vous transmets en annexe le solde dû à la Commission Scolaire en date 21 mai 2018.

Lors de notre dernier courriel en décembre 2015, le solde qui vous a été acheminé était de 2,123,051.83\$ (voir courriel transféré). Le nouveau solde dû à la

Commission Scolaire du Fer est de 2,410,156.68\$, incluant les intérêts courus depuis cette période.”²

29. The Monitor has informed the CCAA Parties that it takes the position that Commission Scolaire did not file a Post-Filing Proof of Claim as required by the Post-Filing Claims Procedure Order.
30. As discussed below, the Commission Scolaire has filed an amended motion to argue that a portion of its pre-filing claim filed in the Amended Claims Procedure Order should be instead considered as a Post-Filing Claim.

3.2 CCAA Parties’ Retirement Savings Plans

31. As was previously reported to this Court in connection with the last stay extension request, the CCAA Parties had several retirement savings plans, summarized as follows:
 - a) the Cliffs Canadian Cliffs Canadian Retirement Plan, Retraite Québec Registration No. 1241751 (the “**DC Plan**”);
 - b) the Wabush Mines Registered Retirement Savings Plan for salaried and unionized employees of Wabush Mines (the “**Wabush Group RRSP Plan**”);
 - c) Cliffs SEC Mines de fer du Lac Bloom RRSP + DPSP (registration # 1231851) (the “**Bloom RRSP + DPSP**”);
 - d) Cliffs group registered retirement savings plan (“**RRSP**”); and
 - e) Cliffs group non-registered savings plan (“**NREG**”).
32. The CCAA Parties have worked diligently with Sun Life and Retraite Québec, as applicable, to affect the wind-up and termination of the aforementioned plans. As previously reported to this Court, the Bloom RRSP + DPSP, the RRSP and the NREG plans were terminated in the Spring of 2019. The CCAA Parties have been informed by Sun Life that the Wabush Group RRSP Plan has also now been wound-up and terminated, effective as at December 31, 2017.
33. Since the last extension of the Stay Period, the CCAA Parties have also worked with Sun Life and Retraite Québec to affect the wind-up and termination of the DC Plan. To that end, Retraite Québec issued its decision to terminate the DC Plan, effective retroactively as at December 31, 2018, and circulated a termination report to all participating employers, dated September 24, 2019, requesting any comments within 10 days. The CCAA Parties did not make any comments.
34. By letter, dated November 20, 2019, Retraite Québec informed the CCAA Parties of, among other things, its decision to approve the termination report and commence the distribution of the DC Plan assets. Interested parties had 30 days to contest the decision

² “I am sending you the balance due to the School Board dated May 21, 2018. In our last email in December 2015, the balance that was sent to you was \$ 2,123,051.83 (see email forwarded). The new balance due to the Commission Scolaire du Fer is \$ 2,410,156.68, including accrued interest since that period.”

before the Tribunal Administratif du Québec (“**TAQ**”), prior to the distribution of the assets. The CCAA Parties did not contest the decision.

35. Retraite Québec has informed the CCAA Parties that it expects that the distribution of the DC Plan assets and the completion of the wind-up of the DC Plan should be completed on or about February 3, 2020; Retraite Québec will proceed to strike off the DC Plan from its record when the distribution of the DC Plan assets is completed. As at the date hereof, the CCAA Parties have not yet received confirmation from Retraite Québec that the distribution of the DC Plan assets have been completed.
36. Once the wind-up and termination of the DC Plan is completed, the CCAA Parties believe that all of their retirement savings plans have been wound-up and terminated.

3.3 City of Fermont Municipal Tax Contestations

37. As outlined in the Monitor’s Fifty Second Report, there is a pending contestation in regard to the assessed value for the Bloom Lake Mine for the 2013-2015 triennial tax roll between the CCAA Parties and the City of Fermont.
38. The CCAA Parties have been informed by the Monitor that there are two bases to the pending contestation of the assessed value, as follows:
 - a) that the Bloom Lake Mine is not taxable (the “**Land Only Appeal**”); and
 - b) that, in the event that the Land Only Appeal fails and the Bloom Lake Mine is therefore taxable, the assessed value should be reduced from \$318 million to \$105 million (the “**Assessed Value Appeal**”).
39. The Land Only Appeal was heard in mid-September 2019, and the TAQ issued its decision rejecting the Land Only Appeal. The TAQ decision was appealed to the Court of Québec and heard on September 17 and 18, 2019. On November 4, 2019, the Court of Québec issued its decision upholding the TAQ ruling.
40. A motion for judicial review of the Court of Québec’s decision has been filed, returnable on a *pro forma* basis on February 10, 2020.
41. The CCAA Parties have been informed by the Monitor that on January 14, 2020, a pre-trial conference was held, with the next pre-trial conference scheduled to be held on June 3, 2020.
42. No hearing of the Assessed Value Appeal has yet been scheduled with the TAQ as it would be moot in the event that the Land Only Appeal succeeds.
43. The CCAA Parties understand from the Monitor that further details on this matter will be provided in the Monitor’s report to be filed in connection with this Motion.

3.4 Wabush Late Claims and Further Plan Modifications

44. In August 2019, while responding to audit requests in respect of certain tax filings, the CCAA Parties discovered that the tax filings of Bloom Lake Railway Company Limited (“**BLRC**”) showed a pre-filing liability of \$850,000.00 (the “**BLRC Purchase Price**”) owed

by BLRC to Wabush Resources, Wabush Iron and Wabush Lake Railway Company Limited (“**Wabush Railway**”), in consideration for the transfer of certain real property held by Wabush Resources, Wabush Iron and Wabush Railway to BLRC.

45. On December 3, 2019, Mr. Justice Michel A. Pinsonnault issued an order, *inter alia*:
- a) allowing the late filing of the claims of Wabush Resources and Wabush Iron against BLRC in the amounts of \$617,740.16 and \$226,513.17 respectively (the “**Wabush Late Claims**”) in respect of the BLRC Purchase Price;
 - b) authorizing BLRC to pay the cash on hand of approximately \$584,000.00, plus accrued interest, in partial payment of the Wabush Late Claims (the “**BLRC Payment**”);
 - c) authorizing certain amendments to the Plan to exclude the Wabush Late Claims from the releases provided by section 10.1 of the Plan (the “**Plan Releases**”), *nunc pro tunc*, and to modify the definition of “Administrative Reserve Costs” to provide that any costs incurred by BLRC in connection with its winding up and dissolution after the payment of the BLRC Cash would be paid for by CQIM; and
 - d) releasing BLRC for the balance of the BLRC Purchase Price after applying the BLRC Payment.
46. The Monitor has informed the CCAA Parties that BLRC paid \$572,292.46 to the Wabush Mines Parties Unsecured Creditors Pool on or about December 10, 2019.

3.5 Motion of Commission Scolaire

47. On September 27, 2018, Commission Scolaire filed a Motion to amend their proof of claim (as amended from time to time, the “**Commission Scolaire Motion**”), originally filed as unsecured, the whole as appears from the Court record.
48. Commission Scolaire takes the position that its claim is secured by the operation of law, that its proof of claim contains a “good faith error”, and that its claim should have been considered as secured by the Monitor and the CCAA Parties.
49. On December 12, 2018, Commission Scolaire filed an amended motion to argue that a portion of its claim is post-filing and that it should be paid in full as a result. On February 4, 2019, Commission Scolaire re-amended its motion to seek leave to file a late post-filing claim.
50. The Monitor has informed the CCAA Parties that as a result of discussions with the Monitor, Commission Scolaire had agreed to suspend the Commission Scolaire Motion until the resolution of the municipal assessments underlying their claim. On March 30, 2019, Commission Scolaire formally served a request to the Court to suspend the Commission Scolaire Motion.
51. The Monitor further informed the CCAA Parties that on April 8, 2019, a hearing was conducted and a consent order was granted, providing for a temporary stay of the Commission Scolaire Motion until a decision is rendered following the hearing before the Court of Québec, scheduled for September 17-18, 2019, concerning whether the mine

itself is subject to assessments and taxation under the *Act respecting municipal taxation (Québec)*.

52. On December 20, 2019, after a telephonic hearing, the Court ordered that the postponement of the hearing of the Commission Scolaire Motion continue.

3.6 Twin Falls Corporation

53. Twin Falls Power Corporation Limited ("**Twin Falls**") is incorporated under the laws of Canada, and is owned 33.3% by Churchill Falls (Labrador) Corporation ("**Churchill Falls**"), 49.6% by Iron Ore Company of Canada ("**IOC**"), 4.6% by Wabush Iron and 12.5% Wabush Resources. Until their resignation on July 14, 2017, two representatives of Wabush Iron and Wabush Resources were members of the board of directors of Twin Falls.
54. Twin Falls developed a 225 megawatt hydroelectric generating plant on the Unknown River in Labrador (the "**Twin Falls Plant**"). The Twin Falls Plant, which has been inoperative since 1974, is located on land that was subleased by Twin Falls from Churchill Falls (Labrador) Corporation Limited ("**Churchill Falls**"). That sub-lease expired on December 31, 2014 and ownership of the Twin Falls Plant now resides with Churchill Falls.
55. The CCAA Parties and the Monitor understand that the Twin Falls Plant and related assets are located on lands now owned by Churchill Falls and are in the possession and control of Churchill Falls or third parties through arrangements with Churchill Falls.
56. According to December 31, 2018 financial statements for Twin Falls, approximately \$5.89 million in cash, cash equivalents and short-term investments are being held by Twin Falls.
57. Even before the commencement of the CCAA Proceedings, the CCAA Parties had tried repeatedly to obtain a distribution from Twin Falls to its shareholders. Such efforts have continued during the CCAA Proceedings. To date, Twin Falls has refused to make any distribution to shareholders, stating concerns related to contingent environmental liabilities.
58. It is the understanding of the CCAA Parties that no order or other enforcement mechanism of any type has been issued or initiated by any government agency with respect to environmental remediation, assessment or monitoring. The CCAA Parties further understand that Twin Falls is not subject to any contractual or other obligation with respect to environmental remediation, assessment or monitoring and that the monitoring currently being carried out, and any environmental remediation obligation, is the responsibility of Churchill Falls. The Monitor has informed the CCAA Parties that the foregoing is consistent with the Monitor's understanding.
59. To date, Twin Falls and the other shareholders, Churchill Falls and IOC, have refused all proposals that would enable Wabush Resources and Wabush Iron to realize the value of their holdings in Twin Falls.
60. Pursuant to letters from the CCAA Parties' counsel, dated December 20, 2019 and January 21, 2020, to Twin Falls and copied to its shareholders, the CCAA Parties

requested a meeting or conference call with the representatives of Twin Falls, Churchill Falls, IOC, and the Monitor to explore a mutually acceptable resolution.

61. A conference call is now scheduled to be held on February 10, 2020 with representatives of Churchill Falls and IOC.

3.7 Dissolution of 8568391 Canada Limited

62. Paragraphs 46 and 47 of the Plan Sanction Order permit the CCAA Parties to wind-up and dissolve 8568391, BLRC, and Wabush Railway.
63. On November 21, 2019, the CCAA Parties wound-up and dissolved 8568391 and provided confirmation to the Monitor that a certificate of dissolution had been issued by Corporations Canada, dated November 21, 2019 in respect of 8568391 (the "**Certificate of Dissolution**"), together with a copy of the Certificate of Dissolution.
64. Pursuant to paragraph 49 of the Plan Sanction Order, upon receiving Certificate of Dissolution from the CCAA Parties, the Monitor filed a certificate with the Court record certifying that it had received confirmation from the CCAA Parties that a Certificate of Dissolution in respect of 8568391 had been issued and its receipt of the Certificate of Dissolution (the "**Dissolution Confirmation Certificate**"). Pursuant to paragraph 49 of the Sanction Order, on the filing of the Dissolution Confirmation Certificate, the CCAA Proceedings in respect of 8568391 were terminated and 8568391 ceased to be a CCAA Party, effective on the date of the Certificate of Dissolution.

3.8 Tax Updates

(a) Income Taxes

65. The audit by Canada Revenue Agency ("**CRA**") in respect of certain income tax filings for the taxation years 2010 to 2015, as previously reported to the court in the Monitor's Third, Fourth and Fortieth Reports have been suspended pending review of the CCAA Parties' 2018 tax returns as filed. Such review is underway, as evidenced by recent audit queries received with respect to the 2018 returns, which the CCAA Parties have been responding to on a timely basis. In addition, the CCAA Parties have continued to respond to other inquiries and matters from CRA and Revenu Québec with respect to certain pre-filing and post-filing income tax returns, including with respect to the amended 2016 and 2017 income tax returns submitted for Arnaud (the "**Arnaud Amended Returns**").
66. The CCAA Parties, with the assistance of the Monitor and their advisors, have been working with the CRA and Revenu Québec to resolve other matters raised in respect of the CCAA Parties' income tax filings. In connection with the Arnaud Amended Returns, the CCAA Parties have provided responses to the CRA in respect of CRA's questions relating to the allocations of income and expenses set out in the Arnaud Amended Returns pursuant to the Allocation Methodology and are hopeful that based on discussions with the CRA that these should be resolved shortly.
67. The CCAA Parties have been responding to CRA requests for additional documents and additional information. On or about February 4, 2020, the CCAA Parties were informed by the CRA that the CRA had some additional questions relating to the CCAA Parties' 2018 income tax filings and that an information request would be delivered by CRA to the

CCAA Parties in respect thereof. Once received, the CCAA Parties will work diligently to respond to this request and are hopeful that all outstanding CRA audits and assessments, including the audits for 2010-2015 tax years, of the CCAA Parties will be resolved shortly. The CCAA Parties believe that all Revenu Québec income tax issues have now been resolved.

(b) Sales Taxes

68. The resolution of outstanding sales tax matters with the CRA and Revenu Québec have experienced slow progress since May 2019, when the CCAA Parties last updated the Court in connection with its previous stay extension motion.
69. One sales tax issue remains outstanding with CRA relates to the return of an excess security deposit in the approximate amount of \$136,000.00 from Revenu Québec which has remained outstanding since July 2019. Further details of this matter and the efforts by the CCAA Parties and the Monitor to obtain release of the excess security deposit will be set out in the Monitor's report on this Motion.
70. There are approximately 9 sales taxes audits that remain outstanding with Revenu Québec, including sales tax audits for HST and QST in respect of ITCs claimed by certain of the CCAA Parties for damage claims paid through distributions under the Plan.
71. In addition, the CCAA Parties have been seeking payment of sales tax refunds owing to Wabush Mines in the amount of approximately \$728,000.00. This amount has remained outstanding since a Notice of Objection was filed in April 2018 notwithstanding continuing efforts of the CCAA Parties and the Monitor to resolve these matters.

(c) Other Tax Matters

72. There are 2018 payroll tax assessments outstanding in respect of several of the CCAA Parties in respect of amounts withheld from distributions under the Plan.
73. All remittances of payroll taxes were made in accordance with the protocol agreed with Revenu Québec in advance of the Monitor making the interim distributions under the Plan. It appears that the remittances were not correctly matched by Revenu Québec, leading to the issuance of notices of assessment, including penalties and interest. Revenu Québec had informed the Monitor that it was the process of resolving this issue, but such assessments remain outstanding.

4. THE EXTENSION OF THE STAY PERIOD IS APPROPRIATE

74. Since the issuance of the Bloom Lake Initial Order and the Wabush Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence.
75. Since the Stay Period was last extended to February 28, 2020, the CCAA Parties or their counsel have, with the assistance of and in consultation with the Monitor, *inter alia*:
 - a) communicated regularly with the Monitor and provided the Monitor with full cooperation and complete access to the CCAA Parties' Property, premises and books and records;

- b) worked with Sun Life in connection with the wind-up and termination of the Wabush Group RRSP Plan, which Sun Life has confirmed was closed effective December 31, 2017;
 - c) worked with Sun Life and Retraite Québec in connection with wind-up and termination of the DC Plan;
 - d) worked to resolve various outstanding tax assessments and audits of the CCAA Parties;
 - e) worked to resolve various outstanding issues related to the CCAA Parties' income tax returns;
 - f) assisted the Monitor in filing for and pursuing federal and Québec sales tax refunds;
 - g) considered options relating to the CCAA Parties' interest in Twin Falls and communicated with Twin Falls and its other shareholders to find a resolution to monetize the CCAA Parties' interest in Twin Falls;
 - h) communicated with the claims administrator with respect to proofs of claim filed by certain of the CCAA Parties in respect of settlement of U.S. class actions involving foreign exchange instruments (the "**U.S. FX Class Actions Claims**");
 - i) attended to completion diligence with respect to potential claims and submitted claims in respect of the Canadian class actions involving foreign exchange instruments (the "**CDN FX Class Actions**");
 - j) resolved all post-closing matters dealing with the purchaser of the Wabush Scully Mine in respect of certain vacant lands;
 - k) obtained Court approval of the late filing of the Wabush Late Claims, and the related modifications to the Plan;
 - l) worked to wind-up and dissolve 8568391; and
 - m) worked with the Monitor to develop a protocol for the retention and destruction of the CCAA Parties' books and records.
76. It is respectfully submitted that the extension of the Stay Period to November 30, 2020 is required to provide all CCAA Parties with sufficient time to, *inter alia*:
- a) complete the monetization of the Twin Falls shares of the CCAA Parties;
 - b) continue responding to audit inquiries and follow-up inquiries from the CRA and Revenu Québec and work to resolve any open audit issues;
 - c) work with the Monitor to resolve outstanding issues related to the federal and Québec sales tax filings of the CCAA Parties and to obtain all sales tax refunds due to the CCAA Parties in respect thereof;

- d) work with the Monitor to resolve outstanding issues related to federal income tax filings;
 - e) the collection of any amounts recoverable from the U.S. FX Class Actions Claims;
 - f) the collection of any amounts recoverable from the CDN FX Class Actions;
 - g) assist the Monitor with a resolution of the outstanding City of Vermont municipal tax contestation;
 - h) assist the Monitor with a resolution of outstanding issues related to the Commission Scolaire Motion;
 - i) finalize a protocol with respect to the retention and destruction of the CCAA Parties' books and records; and
 - j) complete the dissolutions of the CCAA Parties and any of their subsidiaries contemplated under the Plan.
77. It is anticipated that the requested extension of the Stay Period until November 30, 2020 will afford the CCAA Parties additional time that is needed to progress and substantially complete all of the foregoing.
78. The Monitor has advised the CCAA Parties that it supports the present Motion and the extension of the Stay Period. The CCAA Parties understand that the Monitor will file a report regarding the proposed extension of the Stay Period.
79. Considering that the majority of the CCAA Parties' assets have been sold in the context of these CCAA Proceedings, and that the ongoing expenses consist of professional fees, the CCAA Parties believe that there is sufficient liquidity to fund the estimated ongoing costs and expenses of the CCAA Parties and any obligations incurred by them until November 30, 2020.
80. The CCAA Parties have acted and are acting with good faith and due diligence, circumstances exist that make the extension of the Stay Period appropriate and no stakeholder will be materially prejudiced by the extension of the Stay Period.
81. In light of the foregoing, the CCAA Parties respectfully ask this Court to extend the Stay Period to November 30, 2020, the whole subject to all other terms of the Bloom Lake Initial Order and the Wabush Initial Order.

5. PROCEDURAL MATTERS

82. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.
83. Pursuant to paragraph 54 of the Bloom Lake Initial Order and to paragraph 56 of the Wabush Initial Order, all motions in these CCAA Proceedings are to be brought on not less than ten (10) calendar days' notice to all Persons on the service list. Each motion must specify a date (the "**Initial Return Date**") and time for the hearing.

84. The service of the present Motion serves as notice pursuant to paragraph 54 of the Bloom Lake Initial Order and paragraphs 47 and 56 of the Wabush Initial Order.
85. Paragraph 55 of the Bloom Lake Initial Order and paragraph 57 of the Wabush Initial Order require that any Person wishing to object to the relief sought on a motion in the CCAA Proceedings must serve responding motion materials or a notice stating the objection to the motion and grounds for such objection (a "**Notice of Objection**") in writing to the moving party and the Monitor, with a copy to all persons on the service list, no later than 5 p.m. Montréal time on the date that is four (4) calendar days prior to the Initial Return Date (the "**Objection Deadline**"). Accordingly, any parties wishing to object to the relief sought on this Motion must serve responding motion materials or a Notice of Objection by no later than 5 p.m. Montréal time on February 15, 2020.
86. Paragraph 56 of the Bloom Lake Initial Order and paragraph 58 of the Wabush Initial Order further provide that if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion may determine whether a hearing is necessary, whether such hearing will be in person, by telephone or in writing and the parties from whom submissions are required (collectively, the "**Hearing Details**").
87. Paragraph 57 of the Bloom Lake Initial Order and paragraph 59 of the Wabush Initial Order provide that the Monitor shall communicate with the Judge and the service list with respect to the Hearing Details.

6. CONCLUSIONS

88. In light of the foregoing, the Petitioners hereby respectfully seek the issuance of an order substantially in the form of the Draft Stay Extension Order (Exhibit R-1);
89. The present Motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Motion;

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

WITHOUT COSTS, save and except in case of contestation.

Montréal, February 6, 2020


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

AFFIDAVIT

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

AND I HAVE SIGNED:



CLIFFORD T. SMITH

SOLEMNLY DECLARED before me at
Cleveland, Ohio, on this
7th day of February, 2020



Notary Public



ADAM D. MUNSON, Atty.
NOTARY PUBLIC
STATE OF OHIO
My Commission Has No
Expiration Date
Section 147.03 R.C.


NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the present *Motion for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before the Honourable Michel A. Pinsonnault, J.S.C., or another of the honourable judges of the Superior Court, Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **February 19, 2020, at 9:00 am in room 16.12.**

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, February 6, 2020



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

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Commercial Division

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

Nº: 500-11-048114-157

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

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

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.


Monitor

LIST OF EXHIBITS

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

R-1 Draft Stay Extension Order

Montréal, February 6, 2020


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

N°: 500-11-048114-157

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

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

BLOOM LAKE GENERAL PARTNER LIMITED & AL.

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

**MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD, AFFIDAVIT,
NOTICE OF PRESENTATION AND EXHIBIT R-1**
(Section 11 CCAA)

ORIGINAL

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

M^{re} Bernard Boucher

BB-8098

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