

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

**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, CLIFFS QUÉBEC IRON
MINING ULC, WABUSH IRON CO.
LIMITED AND WABUSH RESOURCES
INC.**

Petitioners

- and -

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

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

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

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 the Bloom Lake Petitioners, other than 856 from and after November 21, 2019, when 856 ceased to be a CCAA Party, and BLRC from and after June 7, 2022 when BLRC ceased to be a CCAA Party, upon their respective wind-up and dissolution, 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, together with the Wabush Petitioners, other than Wabush Railway from and after June 7, 2022 when Wabush Railway ceased to be a CCAA Party, upon its wind-up and dissolution, 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**” and together with the Bloom Lake Stay Period, the “**Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.
3. The Stay Period has been extended from time to time and currently expires on November 30, 2023.
4. On November 5, 2015, Mr. Justice Hamilton J.S.C. (as he then was) granted an Order (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 (as amended, the “**Claims Procedure**”).
5. On March 26, 2018, Mr. Justice Hamilton J.S.C. (as he then was) granted 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**”).
6. On June 29, 2018, Mr. Justice Hamilton J.S.C. (as he then was) granted an Order (the “**Sanction Order**”), *inter alia*, sanctioning the amended and restated joint plan of compromise and arrangement of the Participating CCAA Parties dated May 16, 2018 (as amended from time to time, the “**Plan**”).

7. On July 31, 2018, the Monitor issued and filed the Plan Implementation Date Certificate, *inter alia*, certifying that:
 - (a) The Monitor had received from each of the Participating CCAA Parties and the Parent, the applicable Conditions Certificate confirming fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 11.3 of the Plan, and in accordance with the Sanction Order, and
 - (b) The Plan Implementation Date had occurred in accordance with the Plan.
8. The distributions from the Pension Cash Pools have been completed and two interim distributions to Affected Third Party Unsecured Creditors have been made from each of the Unsecured Creditor Cash Pools, with approximately \$155.7 million having been distributed to Affected Third Party Unsecured Creditors pursuant to the Plan.
9. To date, the Monitor has filed fifty-nine reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor's Sixtieth Report (this "**Report**"), is to provide information to the Court with respect to:
 - (a) The receipts and disbursements of the CCAA Parties for the period June 1, 2022 to October 31, 2023;
 - (b) The CCAA Parties' current cash balances;
 - (c) Matters completed since the date of the Monitor's Fifty-Ninth Report;
 - (d) The progress of ongoing matters to be completed in the CCAA Proceedings;
 - (e) The CCAA Parties' request for an Order (the "**Stay Extension and CCAA Termination Order**") providing, *inter alia*, for:

- (i) The cessation of quarterly reporting by the Monitor following the issuance of the Final Distribution;
- (ii) The termination of the CCAA Proceedings and discharge of the Monitor upon the issuance of a certificate of the Monitor (the “**CCAA Termination Certificate**”); and
- (iii) The extension of the Stay Period to the earlier of the date of issuance of the CCAA Termination Certificate or such other date as the Court may order.

TERMS OF REFERENCE

- 10. 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**”).
- 11. 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.

12. The Monitor has prepared this Report in connection with the CCAA Parties motion for the Stay Extension and CCAA Termination Order (the “**November 28 Motion**”) which is scheduled to be heard November 28, 2023. This Report should not be relied on for other purposes.
13. 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.
14. 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 previous reports of the Monitor, the Plan or the November 28 Motion.

EXECUTIVE SUMMARY

CESSATION OF QUARTERLY REPORTING

15. Once the Final Distribution has been issued, there will be no material activities to report to creditors. Consequently, there is no benefit to continuing to post quarterly updates after the Final Distribution has been issued. Following the issuance of the Final Distribution, the Monitor will post updates to the Monitor’s Website as and when it deems appropriate.

TERMINATION OF THE CCAA PROCEEDINGS AND DISCHARGE OF MONITOR

16. Once the Final Distribution and the other remaining matters as set out in this Report are completed, there will be no further requirement for the CCAA Proceedings to continue. Given that those remaining matters are administrative in nature, and in order to avoid the costs of additional Court hearings, the CCAA Parties now seek the termination of the CCAA Proceedings and discharge of the Monitor, to be effective on issuance of the CCAA Termination Certificate.

17. The Monitor supports the CCAA Parties' request and respectfully recommends that it be granted by this Honourable Court.

STAY EXTENSION

18. In summary, and for the reasons set out in this Report, it is the Monitor's view that:

- (a) The CCAA Parties have acted, and are acting, in good faith and with due diligence; and
- (b) Creditors of the CCAA Parties would not be materially prejudiced by an extension of the Stay Period to the earlier of:
 - (i) The date of service of the CCAA Termination Certificate; and
 - (ii) Such earlier date as may subsequently be ordered by the Court.

19. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for the extension of the Stay Period and termination of the CCAA Proceedings upon the issuance of the CCAA Termination Certificate.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO OCTOBER 31, 2023

20. The CCAA Parties' actual cash flow on a consolidated basis for the period from June 1, 2022 to October 31, 2023, is summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Receipts	904	354
Operating Disbursements	(27)	(5)
Operating Cash Flow	877	349
Sales Tax Refunds/(Payments)	11,498	(262)
Restructuring Professional Fees	(1,073)	(243)
Net Cash Flow	11,302	(156)

21. Receipts is interest earned on funds held by the Monitor.
22. Operating disbursements consist primarily of records storage costs and bank charges.
23. Sales tax refunds is the collection of Damage Claim ITCs from RQ following the denial of leave to appeal in respect of the Set-Off Motion by the Supreme Court of Canada. The sales tax payment was an amount payable as a result of a sales tax audit in respect of an earlier sale of Bunker C oil.
24. Primary activities giving rise to Restructuring Professional Fees during the period included dealing with the various tax authorities in respect of income and sales tax issues, including obtaining the Sales Tax Refunds, dealing with the destruction of books and records, negotiating the Distribution Agreement and preparing for the Final Distribution and the termination of the CCAA Proceedings. The break-down of Restructuring Professional Fees is summarized as follows:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Company counsel	408	62
Company tax advisors	61	56
Monitor	257	3
Monitor's counsel	347	24
Representative counsel		98
Total	1,073	243

CURRENT CASH BALANCES

25. As previously reported, all transactions are being processed through the Monitor's accounts on behalf of the CCAA Parties. As at October 31, 2023, the Monitor held approximately \$22.5 million on behalf of the Bloom Lake CCAA Parties and approximately \$6.2 million on behalf of the Wabush CCAA Parties, each net of unrepresented cheques and uncashed distributions.
26. 175 cheques in the aggregate amount of \$4,453,939.19 issued in respect of the interim distributions under the Plan remain uncashed. Two of the cheques account for \$4,228,300.82 of the amount and were payable to one creditor. The Monitor has followed up with counsel to that creditor. Excluding those two cheques, a total of 173 cheques in the aggregate amount of \$225,638.37 remain uncashed. The Monitor has provided lists of applicable uncashed employee distributions to Representative Counsel and USW Counsel. A list of non-employee creditors with uncashed distributions is attached hereto as Appendix A and will also be posted on the Monitor's Website. Uncashed distributions will be reissued on the request of the creditor entitled to such payment or together with the Final Distribution under the Plan.

MATTERS COMPLETED SINCE THE MONITOR'S FIFTY-NINTH REPORT

27. A number of matters have been completed since the date of the Monitor's Fifty-Ninth Report, summarized as follows:
 - (a) Resolution of various open tax matters with RQ;
 - (b) Resolution of the Wabush Mines Appeal, which was withdrawn on a without costs basis;
 - (c) Final determination of the appeal by RQ of the Set-Off Decision;

- (d) The destruction of books and records pursuant to the Books and Records Order; and
- (e) Posting of quarterly status updates pursuant to the Order of the Honourable Mr. Justice Pinsonnault dated June 21, 2022.

APPEAL OF SET-OFF DECISION

- 28. The appeal by RQ of the Set-Off Decision was heard by the Québec Court of Appeal on September 12, 2022. The Québec Court of Appeal released its decision December 22, 2022. The appeal by RQ was dismissed with costs by unanimous decision.
- 29. On February 16, 2023, RQ filed an application for leave to appeal to the Supreme Court of Canada in respect of the Québec Court of Appeal's decision in respect of the appeal by RQ of the Set-Off Decision.
- 30. On February 28, 2023, the Monitor and the CCAA Parties filed responses to the leave application, requesting that the leave application be denied.
- 31. On March 22, 2023, Quebec North Shore and Labrador Railway Company Inc. and Iron Ore Company of Canada filed a response to the leave application, requesting that the leave application be denied.
- 32. On March 24, 2023, Representative Counsel filed a response to the leave application, requesting that the leave application be denied.
- 33. On August 24, 2023, the Supreme Court of Canada denied RQ's application for leave to appeal the Québec Court of Appeal's decision in respect of the appeal by Revenu Québec of the Set-Off Decision

ONGOING MATTERS TO BE COMPLETED IN THE CCAA PROCEEDINGS

34. The key matters remaining to be completed in the CCAA Proceedings are summarized as follows:

- (a) Resolution of remaining sales tax matters and collection of any refunds owing;
- (b) Finalization of the Distribution Agreement with RQ and CRA, as defined later in this Report;
- (c) Completion of the Final Distribution under the Plan and dealing with associated tax matters;
- (d) The issuance of tax reporting slips in respect of Final Distributions to Employees under the Plan;
- (e) The filing of final tax returns;
- (f) Payment of all Uncashed Distributions and any Undistributable Amount in accordance with the Plan and the terms of the Stay Extension and CCAA Termination Order;
- (g) The dissolution of the CCAA Parties as contemplated by the Plan; and
- (h) The completion of the necessary statutory and administrative steps for the termination of the CCAA Proceedings and the discharge of the Monitor.

THE DISTRIBUTION AGREEMENT

35. The Final Distribution, like the Initial Interim Distribution and Second Interim Distribution, will result in input tax credit refunds in respect of distributions in respect of Proven Claims arising from contract disclaimers. Receipt of such refunds following the Final Distribution would necessitate a further distribution to creditors, which in turn would give rise to further refunds. Absent an arrangement with RQ and CRA, this would continue to repeat until the refunds became *de minimis*.
36. In order to avoid the costs and delays that would arise from needing to do multiple successive future distributions, the Monitor is negotiating an agreement with RQ and CRA (the “**Distribution Agreement**”) which will allow for the anticipated refund amounts that would result from the notional successive distributions to be calculated and agreed in a manner that would allow for a single Final Distribution.

FINAL DISTRIBUTION

37. There are several steps that are necessary to complete prior to the Monitor being able to make the Final Distribution under the Plan, in addition to finalizing the Distribution Agreement:
- (a) Obtaining estimates of costs to complete, including from the CCAA Parties’ counsel and tax advisors, Monitor’s counsel and Representative Counsel;
 - (b) Undertaking the calculation of the amounts available to each Unsecured Creditor Class, pursuant to the methodologies set out in the Allocation Order and the Plan;
 - (c) Calculating the distributions to creditors with Proven Claims in each Unsecured Creditor Class;

- (d) Calculating the applicable tax withholdings for each creditor, where applicable;
 - (e) Audit and confirmation of the withholdings calculations by RQ and CRA; and
 - (f) Preparing and mailing the distribution cheques and covering letters.
38. The Monitor has been working on completing the steps necessary to effect the Final Distribution. Given the time required for RQ and CRA to complete the audit and confirmation of withholdings, it is currently expected that the Final Distribution will be made in the first quarter of 2024.

REQUEST FOR CESSATION OF QUARTERLY REPORTING

39. Pursuant to the Order of the Honourable Mr. Justice Pinsonnault dated June 21, 2022, the Monitor has published quarterly update reports on the Monitor's Website.
40. Once the Final Distribution has been issued, there will be no material activities to report to creditors, although the provisions of the Plan provide for a period of six months following the issuance of the Final Distribution for creditors to cash distribution cheques. Consequently, there is no benefit to continuing to post quarterly updates after the Final Distribution has been issued. The Monitor will, however, post status updates after the Final Distribution as and when it deems it appropriate to do so.

REQUEST FOR TERMINATION OF CCAA PROCEEDINGS

41. Once the Final Distribution and the other remaining matters are completed, there will be no further requirement for the CCAA Proceedings to continue. Given that those remaining matters are administrative in nature, and in order to avoid the costs of additional Court hearings, the CCAA Parties now seek the termination of the CCAA Proceedings and discharge of the Monitor, to be effective on issuance of the CCAA Termination Certificate.
42. The Monitor supports the CCAA Parties' request and respectfully recommends that it be granted by this Honourable Court.

REQUEST FOR EXTENSION OF STAY PERIOD

43. The Stay Period currently expires on November 30, 2023. Additional time is required for the CCAA Parties and the Monitor to complete the activities necessary to finalize the CCAA Proceedings, including the activities described earlier in this Report.
44. The CCAA Parties now seek an extension of the Stay Period to the earlier of:
 - (a) The date of issuance of the CCAA Termination Certificate; and
 - (b) Such other date as may be ordered by the Court.
45. Given that the remaining activities to be completed are administrative in nature, the CCAA Parties and the Monitor are of the view that the proposed extension of the Stay Period is appropriate in the circumstances in order to avoid the cost of additional Court hearings.

46. As the CCAA Parties no longer have any operations, future receipts, and disbursements, other than collection of tax refunds and the payment of the legal and professional costs of the CCAA Proceedings, will be *de minimis*. Accordingly, consistent with the approach taken in connection with previous extensions of the Stay Period, no weekly cash forecast has been prepared for the proposed extension of the Stay Period as such a weekly forecast would provide no meaningful information.
47. The CCAA Parties have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.
48. Based on the information currently available, the Monitor believes that creditors of the CCAA Parties would not be materially prejudiced by the proposed extension of the Stay Period.
49. The Monitor also believes that the CCAA Parties have acted, and are acting, in good faith and with due diligence.
50. The Monitor therefore respectfully recommends that this Honourable Court grant the CCAA Parties' request for the extension of the Stay Period.

The Monitor respectfully submits to the Court this, its Sixtieth Report.

Dated this 10th day of November, 2023.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Bloom Lake General Partner Limited, Quinto Mining Corporation,
Cliffs Québec Iron Mining ULC,
Wabush Iron Co. Limited, Wabush Resources Inc.,
The Bloom Lake Iron Ore Mine Limited Partnership,
Wabush Mines and Arnaud Railway Company



Nigel D. Meakin
Senior Managing Director



Martin Franco
Senior Managing Director

Appendix A

List of Non-Employee Creditors with Uncashed Distributions

Bloom Lake / Wabush Uncashed Distributions - Non-Employees
11/8/2023

Unsecured Creditor Class	Payees (Updated Names)
BL Parties Unsecured	9251-4744 QUEBEC INC
Wabush Mines Parties	ABB INC.
BL Parties Unsecured	ABB INC.
BL Parties Unsecured	ACTION S.S.T. INC.
Wabush Mines Parties	ADMINISTRATION PORTUAIRE DE SEPT-ILES/SEPT-ISLES PORT AUTHORITY
CQIM/Quinto Unsecured	ADMINISTRATION PORTUAIRE DE SEPT-ILES/SEPT-ISLES PORT AUTHORITY
BL Parties Unsecured	AIR INUIT LTD.
CQIM/Quinto Unsecured	ALLARD DISTRIBUTING LIMITED
CQIM/Quinto Unsecured	AMERICAN SUPERCONDUCTOR CORPORATION
BL Parties Unsecured	ANIXTER CANADA INC.
BL Parties Unsecured	BOURASSA BRODEUR BELLEMARE (9025-4616 QUEBEC INC)
Wabush Mines Parties	CAISSE POPULAIRE DESJARDINS DE BAIE-COMEAU
BL Parties Unsecured	CAISSE POPULAIRE DESJARDINS DE BAIE-COMEAU
Wabush Mines Parties	Caterpillar Global Mining LLC
Wabush Mines Parties	CIT Financial Ltd
BL Parties Unsecured	CONSTRUCTION FORTIN & LEVESQUE INC.
BL Parties Unsecured	COREM
Wabush Mines Parties	DUNTON RAINVILLE LLP
BL Parties Unsecured	ENVIRO-ACCES
Wabush Mines Parties	ESCO LIMITED
BL Parties Unsecured	ESCO LIMITED
BL Parties Unsecured	FILTRARTECH
CQIM/Quinto Unsecured	FORTIER REFRIGERATION (9135-9901 QC INC)
BL Parties Unsecured	GKM CONSULTANTS INC
BL Parties Unsecured	GROUPE CADORET ARPEUTEURS - GEOMETRES INC
BL Parties Unsecured	IMP AUTOMATION CANADA LTD
BL Parties Unsecured	Industrial Petroleum and Mining Supplies Ltd. (Horsepower Canada)
BL Parties Unsecured	JMV ENVIRONNEMENT INC.
Wabush Mines Parties	JOY GLOBAL (CANADA) LTD.
BL Parties Unsecured	JOY GLOBAL (CANADA) LTD.
Wabush Mines Parties	LABRADOR REWINDING INC.
BL Parties Unsecured	LABRADOR REWINDING INC.
Wabush Mines Parties	LOCATION HEWITT INC.
BL Parties Unsecured	LOCATION HEWITT INC.
BL Parties Unsecured	Location Montfer (9196-4528 Quebec Inc.)
BL Parties Unsecured	MACONNERIE DEMERS INC.
BL Parties Unsecured	MAC-PHIL DIESEL (9161-4305 QUEBEC INC.)
BL Parties Unsecured	MAXAM EXPLOSIVES, INC.
CQIM/Quinto Unsecured	MEG INTERNATIONAL MARINE EXPERTS GROUP (MARINE SURVEYORS)
BL Parties Unsecured	MINERAL TECHNOLOGIES
CQIM/Quinto Unsecured	MRB & ASSOCIES
BL Parties Unsecured	NEW CONCRETE PRODUCTS LTD
Wabush Mines Parties	PETROFORMA INC.
BL Parties Unsecured	PROGESTEAU SOCIETE D'EXPLOITATION DES SERVICES D'EAU INC.
CQIM/Quinto Unsecured	RAYMOND CHABOT GRANT THORNTON
BL Parties Unsecured	RELIASOFT CORPORATION
BL Parties Unsecured	SERVICES ALIMENTAIRES DOMCO LIMITEE
Wabush Mines Parties	TEKNO
BL Parties Unsecured	TELEBEC SEC
BL Parties Unsecured	WESCO DISTRIBUTION CANADA LP
CQIM/Quinto Unsecured	WORLDLINK RESOURCES LIMITED
BL Parties Unsecured	WORLDLINK RESOURCES LIMITED