

2020 01G 2883

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

BETWEEN

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP

APPLICANT

AND:

THE KAMI MINE LIMITED PARTNERSHIP

FIRST RESPONDENT

AND:

KAMI GENERAL PARTNER LIMITED

SECOND RESPONDENT

AND:

ALDERON IRON ORE CORP.

THIRD RESPONDENT

INTERLOCUTORY APPLICATION
(Inter Partes)

SUMMARY OF CURRENT DOCUMENT	
Court File Number(s):	2020 01G 2883
Date of Filing Document:	July , 2024
Name of Party Filing or Person:	Deloitte Restructuring Inc., in its capacity as court-appointed receiver (the Receiver) of the First, Second and Third Respondents (the Companies)
Applications to which Document being filed relates:	Interlocutory Application of the Receiver
Statement of Purpose in Filing:	Application by the Receiver for an Order approving the sale of the Related Surface Rights, as defined in a Settlement and Assignment Agreement
Court Sub-File Number, if any:	N/A

NATURE OF APPLICATION

1. On June 17, 2020 (the "**Date of Receivership**") the Receiver was appointed by Order of this Court (the "**Receivership Order**") as the receiver of all of the assets, undertakings, and property (the "**Property**") of Alderon Iron Ore Corp. ("**Alderon**"), The Kami Mine Limited Partnership ("**Kami LP**"), and Kami General Partner Limited ("**Kami GP**") (collectively the "**Companies**") acquired for, or used in relation to the business carried on by the Companies (the "**Kami Project**").
2. On November 13, 2020, a Sale Approval and Vesting Order was issued by this Court approving the sale of certain assets of the Companies (the "**Kami Assets**") to Quebec Iron Ore Inc. and 12364042 Canada Inc. (collectively, the "**Purchaser**").
3. On April 1, 2021, the sale of the Kami Assets was concluded and the sale proceeds for the Assets were paid to the Receiver (the "**Initial Closing**")
4. On August 13, 2021, a Claims Process Order was issued by this Court directing the Receiver to solicit claims from all creditors and shareholders in respect of the Companies.
5. On May 25, 2022, a Distribution Order was issued by this Court directing the Receiver to pay the first and final distribution payment to all proven creditors of the Companies.
6. On March 28, 2023, a Distribution Order was issued by this Court approving the first interim distribution to shareholders of the Companies and the anticipated second interim distribution to shareholders of the Companies.
7. The Receiver now seeks an Order:
 - (a) abridging the time for service, validating service, and dispensing with further service of the within Application;
 - (b) approving the activities, fees, and disbursements of the Receiver as described in the Fifth Report of the Receiver (the "**Fifth Report**"), including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees of the Receiver's legal counsel;
 - (c) approving the Receiver's Statement of Receipts and Disbursements for the period from June 17, 2020 to May 31, 2024;
 - (d) approving the sale of the Related Surface Rights pursuant to a Settlement and Assignment Agreement between the Receiver and the Purchaser dated the 19th day of June, 2024 (the "**Assignment Agreement**");
 - (e) directing that the Confidential Appendices attached to the Fifth Report be sealed with the Court unless otherwise ordered by the Court, until such time as the sale of the Related Surface Rights has been completed by the Receiver; and
 - (f) providing such further or other relief that the Court considers just and warranted in the circumstances.

MATERIAL FACTS

8. Since the date of the Fourth Report of the Receiver, the Receiver has undertaken and performed the following activities:
 - a) Corresponded with various creditors, stakeholders, and interested parties with respect to the receivership proceedings;
 - b) Issued the first distribution to shareholders pursuant to the Distribution Order dated March 28, 2023;
 - c) Corresponded with various investment brokerages on several occasions with respect to their registered shareholdings of Alderon;
 - d) Corresponded with various shareholders on numerous occasions with respect to their shareholdings of Alderon;
 - e) Corresponded with the Purchaser on several occasions with respect to the Related Surface Rights;
 - f) Corresponded with interested parties regarding the Related Surface Rights;
 - f) Negotiated and executed the Assignment Agreement;
 - j) Corresponded with McInnes Cooper, the Receiver's legal counsel, from time to time on various legal matters relating to the receivership administration;
 - k) Drafted, reviewed and finalized the Fifth Report; and
 - l) Addressed additional matters of both a general and specific nature as they arose from time to time, not referred to above.

Related Surface Rights

9. After the Initial Closing, the Purchaser and the Receiver discovered that the Companies held certain real property and contractual rights on and around the area of the Surface Lease (as defined below) in relation to the Kami Project, including Licences to Occupy Crown Land and related contractual arrangements, and all of which related surface rights were acquired by the Companies for the purpose of securing surface titles necessary for the development and operation of the Kami Project (the "**Related Surface Rights**");
10. Several Related Surface Rights relate to surface areas located within the surface lease 142 issued to Kami GP on June 12, 2014 with respect to Mills Lake (the Kami Mine) (the "**Surface Lease**"). The Surface Lease was specifically included in the Kami Assets previously sold to the Purchaser;
11. Without prejudice, (a) it is the Purchaser's position that, *inter alia*, (i) had the parties been aware of the existence of the Related Surface Rights prior to the Initial Closing, the rights of the Kami Group and the Receiver in the Related Surface Rights would have formed part of the Kami Assets that were transferred to the Purchaser, and (ii) the rights in the Related Surface Rights relating to surface areas located on or within the Surface Lease are

superseded by the Surface Lease or accessory to it, and can not be assigned separately, while (b) it is the Receiver's position that the Related Surface Rights were not included in the Purchase Agreement with respect to the sale of the Kami Assets and the Receiver can dispose of them separately, including to a third party (the "Dispute"); and

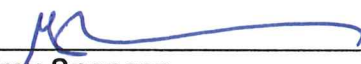
12. On December 18, 2023, the Receiver accepted an offer from the Purchaser for the settlement of the Dispute and confirmation of assignment of the Related Surface Rights to the Purchaser (the "Offer").
13. On June 19, 2024, the Receiver executed the Assignment Agreement pursuant to the terms of the Offer.

RELIEF SOUGHT

14. The Receiver repeats the foregoing paragraphs and requests an Order:
 - (a) abridging the time for service, validating service, and dispensing with further service of the within Application;
 - (b) approving the activities, fees, and disbursements of the Receiver as described in the Fifth Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees of the Receiver's legal counsel;
 - (c) approving the Receiver's Statement of Receipts and Disbursements for the period from June 17, 2020 to May 31, 2024;
 - (d) approving the sale of the Related Surface Rights pursuant to the Assignment Agreement;
 - (e) directing that the Confidential Appendices attached to the Fifth Report be sealed with the Court unless otherwise ordered by the Court, until such time as the sale of the Related Surface Rights has been completed by the Receiver; and
 - (f) providing such further or other relief that the Court considers just and warranted in the circumstances.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

DATED AT the City of St. John's, in the Province of Newfoundland and Labrador, this 9th day of July, 2024.



Geoffrey Spencer
McInnes Cooper
Solicitors for the Receiver
10 Fort William Place
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PO Box 5939
St. John's, NL A1C 4X4

To: Supreme Court of Newfoundland and Labrador
General Division (In Bankruptcy)
P.O. Box 937
313 Duckworth Street
St. John's, NL A1C 5M3

And To: The Service List attached as Schedule "A"

Issued at St. John's, in the Province of Newfoundland and Labrador, this _____ day of _____,
2024.

Court Officer

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NOTICE TO THE RESPONDENTS

You are hereby notified that the foregoing application will be made to the judge presiding in Chambers at the Court House at St. John's, Newfoundland and Labrador on _____, the day of _____, 2024 at 10:00 am.

To: The Service List attached as Schedule "A"