

RICHTER

CANADA
Province of Ontario
District of Ontario
Division No. 15-Haileybury
Court No. 31-1942523
Estate No. 31-1942523

SUPERIOR COURT OF JUSTICE *In Bankruptcy and Insolvency*

Notice of Proposal to Creditors (Section 51 of the Act)

**In the Matter of the Proposal of
Wabi Iron & Steel Corp.
Of the City of New Liskeard
In the Province of Ontario**

Take notice that Wabi Iron & Steel Corp. of the City of New Liskeard, in the Province of Ontario, has lodged with us a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets and liabilities and a list of the creditors affected by the proposal are enclosed herewith.

A general meeting of the creditors will be held at Park Inn by Radisson, Toronto Airport W., 175 Derry Road E., Mississauga ON L5T 2Z7 on January 30, 2015 at 11:00 a.m.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

As stated in the Proposal, the affected Creditors have a dividend distribution option that they can exercise by filling and returning the enclosed Election to Reduce Claim form to the Trustee.

Dated at Toronto, in the Province of Ontario, January 20, 2015.

Richter Advisory Group Inc.
Trustee acting *in re* the proposal of
Wabi Iron & Steel Corp.



Adam Sherman, MBA, CIRP

T. 416.488.2345 / 1.888.805.1793
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Richter Advisory Group Inc.
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Montréal, Toronto

(français - recto)



District of: Ontario
Division No. 15 - Halleybury
Court No. 31-1942523
Estate No. 31-1942523

☒ Original ☐ Amended

- Form 78 -

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph "58(d)" of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
Wabi Iron & Steel Corp.
Of the City of New Liskeard
In the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable) on the 12th day of December 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	5,360,077.66	1. Inventory	743,427.26
Balance of secured claims as per list "B"	1,274,533.78	2. Trade fixtures, etc.	0.00
Total unsecured creditors	6,634,611.64	3. Accounts receivable and other receivables, as per list "E"	
		Good	1,603,876.06
2. Secured creditors as per list "B"	3,948,093.34	Doubtful	749,426.25
3. Preferred creditors as per list "C"	0.00	Bad	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00	Estimated to produce	1,603,876.06
Total liabilities	10,582,704.98	4. Bills of exchange, promissory notes, etc., as per list "F"	0.00
Surplus	NIL	5. Deposits in financial institutions	0.00
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	1,125,790.00
		9. Real property or immovable as per list "G"	475,000.00
		10. Furniture	0.00
		11. RRSPs, RRIIs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital	377,743.00
		Amount paid on capital	377,743.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	3,948,093.34
		Deficiency	6,634,611.64

I, Jeremy Binnie, of the City of Temiskaming Shores in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, ability and complete statement of Wabi Iron & Steel Corp.'s affairs on the 12th day of December 2014 and fully disclose all property of every description that is in Wabi Iron & Steel Corp.'s possession or that may devolve on Wabi Iron & Steel Corp. in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Temiskaming Shores in the Province of Ontario, on this 9th day of January 2015.


CHRISTINE M. MCLEOD
Barrister & Solicitor

DOMPE BENNETT MCLEOD - LAWYERS
Professional Corporation
7 Armstrong Street, P.O. Box 2999
New Liskeard, Ontario P0J 1P0
Phone: (705) 647-9411
Fax: (705) 647-9422
cmcleod@dbmlawyers.ca


Jeremy Binnie

District of: Ontario
Division No. 15 - Halleybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 - Continued

List "A"
Unsecured Creditors

Wab Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A&B DIGITAL PRINTING	P.O. BOX 1120 210 ARMSTRONG ST. NEW LISKEARD ON P0J 1P0	84.69	0.00	84.69
2	ACCURACY ENV. LABORATORIES	PO BOX 426 1470 GOVT ROAD WEST KIRKLAND LAKE ON P2N 3J1	954.17	0.00	954.17
3	ADOLF VEJVODA	EVANTUREL TWP 386116 MARTER BNDRY RD ENGLEHART ON P0J 1H0	1.00	0.00	1.00
4	AEVITAS	455 ARCHER DRIVE, BOX 518 KIRKLAND LAKE ON P2N 3J5	621.50	0.00	621.50
5	AIR LIQUIDE CANADA INC.	1700 STEELES AVE EAST BRAMALEA ON L6T 1A6	8,330.74	0.00	8,330.74
6	AIRSPRINT INC.	1910 MCCALL LANDNG NE CALGARY ON T2E 9B5	3,035.81	0.00	3,035.81
7	AJAX TOCCO MAGNETHERMIC CORP.	333 STATION STREET AJAX ON L1S 1S3	1,248.65	0.00	1,248.65
8	ALLIED METALS	PO BOX 67000 DETROIT MI 48267-0089 USA	42,352.88	0.00	42,352.88
9	ALLIED MINERAL PRODUCTS INC.	PO BOX 951410 CLEVELAND OH 44193	2,907.81	0.00	2,907.81
10	AMSCO CAST PRODUCTS	35 MERCY ST. SELKIRK MB R1A 1N5	171,144.92	0.00	171,144.92
11	ANDREW LEVEILLE 1238	118 QUEEN STREET NORTH COBALT ON P0J 1R0	1.00	0.00	1.00
12	ANDREW RIDLEY 1215	883227 HWY 654 EAST NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
13	ANDY RINGUETTE 3315	364 BUFFAM DRIVE HAILEYBURY ON P0J 1K0	1.00	0.00	1.00
14	ARC INDUSTRIES	BOX 1149 513 AMWELL STREET HAILEYBURY ON P0J 1K0	4,685.70	0.00	4,685.70
15	ARI 2912473 CANADA LTD.	1355-C CITE DES JEUNES ST CLET PQ J0P 1S0	3,969.00	0.00	3,969.00
16	ASBURY WILKINSON INC.	1115 SUTTON DRIVE BURLINGTON ON L7L 5Z8	88,638.14	0.00	88,638.14
17	ASDR FABRICATION	C.P. 1479 820, CHEMIN DU LAC MOURER MALARTIC PQ J0Y 1Z0	61,323.52	0.00	61,323.52
18	ASHLEY BRAKE 1153	373 AMWELL STREET HAILEYBURY ON P0J 1K0	1.00	0.00	1.00
19	ASTECH ALLOY STEEL TECHN.	PO BOX 158 5512 SCOTCH RD VASSAR MI 48768 USA	71,070.20	0.00	71,070.20
20	ATLAS EQUIPMENT COMPANY	1313 S. 96TH ST SEATTLE WA 98108 USA	11,250.00	0.00	11,250.00
21	B & G INDUSTRIAL SERVICES LTD	P.O. BOX 1585 - HWY 65E NEW LISKEARD ON P0J 1P0	1,935.13	0.00	1,935.13
22	B&L INFORMATION SYSTEMS INC	4707 RAMBO ROAD BRIDGMAN MI 48106 USA	6,302.40	0.00	6,302.40

09-Jan-2015

Date


Jeremy Birnie

District of: Ontario
 Division No. 15 - Halleybury
 Court No. 31-1942523
 Estate No. 31-1942523

FORM 78 - Continued

List "A"
 Unsecured Creditors

Wab Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
23	BARBERTON STEEL INDUSTRIES	P.O. BOX 350 240 EAST HUSTON STREET BARBERTON OH 44203 USA	47,932.12	0.00	47,932.12
24	BARRYDOWNE PAINT	INDUSTRIAL DIVISION 2304 LONG LAKE ROAD SUDBURY ON P3E 5P4	7,915.96	0.00	7,915.96
25	BOI ENGIN. AND CARROL MFG	1035 WATER OAK DRIVE AIKEN SC 29803 USA	100,844.00	0.00	100,844.00
26	BOI CANADA INC.	1867 O'BRIEN STREET NORTH BAY ON P1B 5Y7	23,700.03	0.00	23,700.03
27	BELL WIRELESS ALLIANCE	PO BOX 5101 BURLINGTON ON L7R 4R6	4,976.59	0.00	4,976.59
28	BENEFACT CONSULTING GR	112 - 6285 NORTHAM DRIVE MISSISSAUGA ON L4V 1X5	21,618.74	0.00	21,618.74
29	BERLET ELECTRONICS LTD	36 - 1715 MEYERSIDE DRIVE MISSISSAUGA ON L5T 1C5	673.25	0.00	673.25
30	BERNER CAST METALS INC.	2626 HESS STREET SAGINAW MI 48601 USA	20.00	0.00	20.00
31	BILLY GRASSER 1240	358 LINDSAYS HILL ROAD TROT CREEK ON P0H 2L0	1.00	0.00	1.00
32	BRIGHTEVER TOOL & DIE	29 SANDERLING RD. NW CALGARY AB T3K3R9	5,198.00	0.00	5,198.00
33	BRISTOL MACHINE WORKS LTD.	2100 ALGONQUIN ROAD NORTH SUDBURY ON P3E 4Z6	24,073.77	0.00	24,073.77
34	BROOKVILLE EQUIPMENT	175 EVANS ST. BOX 130 BROOKVILLE PA 15825 USA	106,778.70	0.00	106,778.70
35	BRUCE JENKINSON	681 CHAMPLAIN HAILEYBURY ON P0J 1K0	29,227.56	0.00	29,227.56
36	BRUCE POTTS	12 MONTROSE RD BELLEVILLE ON K8R 1A3	1.00	0.00	1.00
37	CAMBRIAN COLLEGE	1400 BARRYDOWNE ROAD SUDBURY ON P3A 3V8	10,210.00	0.00	10,210.00
38	CAMBRIAN METALS INC	3696 INDUSTRIAL ROAD CHELMSFORD ON P0M 1L0	64,374.23	0.00	64,374.23
39	CAMESE	101 - 345 RENFREW DRIVE MARKHAM ON L3R 9S9	3,983.25	0.00	3,983.25
40	CAMPSALL ELECTRIC CO. LTD.	BOX 940 883306 HWY. 65 NEW L'KEARD ON P0J 1P0	176.02	0.00	176.02
41	CANADA BORDER SERV AGENCY	FINANCIAL TRANSACTION CENTRE 400 PLACE D'YOUVILLE, 2ND FL. MONTREAL PQ H2Y 2C2	18.90	0.00	18.90
42	CANADIAN CHAMPION ABRASIVES INC. *	1 LAVENDER WAY London ON N5X 3J1	2,095.02	0.00	2,095.02
43	CANADIAN FOUNDRY ASS.	1500 - ONE NICHOLAS ST OTTAWA ON K1N 7B7	10,402.89	0.00	10,402.89
44	CANADIAN QUALITY PROD. & SERV.	PO BOX 112, 22 PINE STREET CONISTON ON P0V 1M0	3,508.85	0.00	3,508.85

09-Jan-2015

Date


 Jeremy Birnie

District of: Ontario
Division No. 15 - Halleybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 -- Continued

List "A"
Unsecured Creditors

Wabi Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
45	CARDINAL COURIERS LTD.	400 BRUNEL ROAD MISSISSAUGA ON L4Z 2C2	251.66	0.00	251.66
46	CARNIVAL INTERNATIONAL TRADING	410 - 4538 KINGWAY BURNABY BC V5H 4T9	40,481.44	0.00	40,481.44
47	CBSC CAPITAL INC.	100 - 1235 NORTH SERVICE RD W. OAKVILLE ON L6M 2W2	2,027.85	0.00	2,027.85
48	CBSC CAPITAL LEASING	731 MAIN STREET EAST NORTH BAY ON P1B 1C2	56,134.03	0.00	56,134.03
49	CENTURY LINK	P.O. BOX 4300 CAROL STREAM IL 60197-4300 USA	96.83	0.00	96.83
50	CENTURY PACIFIC FOUNDRY	8239, 128TH STREET SURREY BC V3W 4G1	122,393.55	0.00	122,393.55
51	CITY OF GREATER SUDBURY	200 BRADLEY ST. SUDBURY ON P3E 5K3	100.00	0.00	100.00
52	CLAIMSECURE	225 - 40 ELM ST. SUDBURY ON P3C 0A2	150.40	0.00	150.40
53	CLEAN SCENE INDUSTRIAL	P.O. BOX 1568 NEW LISKEARD ON P0J 1P0	116.36	0.00	116.36
54	COREY ARCHAMBAULT 1217	RR#3 231392 DAIRY LANE ROAD THORNHILL ON P0J 1S0	1.00	0.00	1.00
55	DAVE BOWERING	185 HALIBURTON ST. WEST NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
56	DAVE QUEHE	419 BROMMING STREET HAILEYBURY ON P0L 1K0	1.00	0.00	1.00
57	DAYTON FREIGHT LINES INC.	PO BOX 340 VANDALIA OH 45377 USA	900.82	0.00	900.82
58	DIBBLEE TOOLS LTD.	161 ONEIDA DRIVE POINTE-CLAIRE PQ H9R 1A9	3,055.86	0.00	3,055.86
59	DONNA SHEARING	342 SUTHERLAND WAY HAILEYBURY ON P0J 1K0	1.00	0.00	1.00
60	DOUPE BENNETT MCLEOD	P.O. BOX 2999 NEW LISKEARD ON P0J 1P0	9,759.08	0.00	9,759.08
61	DR. MARK CHURMAN	R.R. #3 12 APPALOOSA DRIVE NEW LISKEARD ON P0J 1P0	4,500.00	0.00	4,500.00
62	E.T. ENGINEERING INC	R.R. #1 970 DERAND ROAD CORBEIL ON P0H 1K0	4,633.00	0.00	4,633.00
63	EARLTON COUNTRY STORE	59, 10TH AVENUE EARLTON ON P0J 1E0	2,026.78	0.00	2,026.78
64	EMOND - HARNDEN LLP	GLEBE CHAMBERS 707 BANK STREET OTTAWA ON K1S 3V1	26,254.73	0.00	26,254.73
65	EMPLOYMENT OFFICE CANADA	5TH FLOOR 1135 MELVILLE ST. VANCOUVER BC V6E 4E5	2,194.54	0.00	2,194.54
66	ENSIGHT CANADA	806 - 155 QUEEN ST. OTTAWA ON K1P 6L1	10,500.00	0.00	10,500.00

09-Jan-2015

Date


Jeremy Birnie

District of: Ontario
Division No. 15 - Haileybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 -- Continued

List "A"
Unsecured Creditors

Wab Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
67	ES, NORTH AMERICA	350 - 32605 WEST 12 MILE ROAD FARMINGTON HILLS MI 48334 USA	20,959.00	0.00	20,959.00
68	EVANS, BRAGAGNOLO & SULLIVAN LLP	BARRISTERS AND SOLICITORS 120 PINE ST. SOUTH TIMMINS ON P4N 2K4	13,635.22	0.00	13,635.22
69	EXCEL MOLD LIMITED	88 ELL'S DRIVE BARRIE ON L4N 8Z3	5,672.60	0.00	5,672.60
70	EXPEDITE PLUS	917 NIPISSING ROAD, UNIT C MILTON ON L0T 5E3	2,475.00	0.00	2,475.00
71	EXPEDITE PLUS US	917 NIPISSING ROAD, UNIT C MILTON ON L9T 5E3	1,950.00	0.00	1,950.00
72	FAICAL BEN GUENNA 1237	57 BIRCH STREET NORTH COBALT ON P0J 1R0	1.00	0.00	1.00
73	FASTENA.	117 - 860 TRILLIUM DRIVE KITCHENER ON N2R 1K4	27,620.22	0.00	27,620.22
74	FEDERAL EXPRESS	TORONTO STATION A P.O. BOX 4626 TORONTO ON M5W 5B4	94.00	0.00	94.00
75	FEDNOR	NANCY TREMBLAY 235 QUEEN ST., #216A OTTAWA ON K1A 0H5	65,170.80	0.00	65,170.80
76	FELDCAMP EQUIPMENT LIMITED	701 GRAHAM DRIVE NORTH BAY ON P1B 9E6	36,350.32	0.00	36,350.32
77	FVC TECHNOLOGIES	P.O. BOX 55138 2730 HIGHWAY 145 S CHICAGO MS 38866 USA	1,542.28	0.00	1,542.28
78	FOOTHILLS STEEL FOUNDRY	9390, 114 AVE SE CALGARY AB T3S0A4	16,060.00	0.00	16,060.00
79	GALSON LABORATORIES	2050 DUNDAS ST. EAST MISSISSAUGA ON L4X 1L9	1,127.00	0.00	1,127.00
80	GARY GOREAU	195 B'ROCK DRIVE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
81	GHISLAIN GOSSELIN	149 COLETTE STREET NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
82	GLEN GARVIN 1192	378 BROADWOOD AVE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
83	GLOBAL GROWTH	MEL SAUVE 300 - 1100 BURLOAK DRIVE BURLINGTON ON L7L 6B2	1,084.65	0.00	1,084.65
84	GRANT THORNTON	P.O. BOX 2170 17 WELLINGTON ST NEW LISKEARD ON P0J 1P0	347.30	0.00	347.30
85	GRANT THORNTON LLP	200 - 15 ALLSTATE PARKWAY MARKHAM ON L3R 5B4	32,314.73	0.00	32,314.73
86	GREAT WEST LIFE ASS. CO.	GROUP INSURANCE PAYMENT ADM P.O. BOX 1053 WINNIPEG MB R3C 2X4	56,166.37	0.00	56,166.37
87	GREATER SUDBURY	P.O. BOX 5000 STN A 200 BRADY STREET SUDBURY ON P3A 5P3	485.00	0.00	485.00

09-Jan-2015

Date


Jeremy Birnie

District of: Ontario
 Division No. 15 - Halleybury
 Court No. 31-1942523
 Estate No. 31-1942523

FORM 78 - Continued

List "A"
 Unsecured Creditors

Wabi Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
88	GUARDIAN LEASING 2644562	1525 BUFFALO PLACE WINNIPEG MB R3T 1L9	29,477.83	0.00	29,477.83
89	HERITAGE FUND	BRUCE STRAPP 200-70 FOSTER DRIVE SAULT STE-MARIE ON P6A 6V8	0.00	1,274,533.78	1,274,533.78
90	HITE SERVICES	790 LAPOINTE STREET SUDBURY ON P3A 5N8	41,737.20	0.00	41,737.20
91	HUMANITY FUND	U.S.W.A. NATIONAL OFFICE 234 EGLINGTON AVE., EAST TORONTO ON M4P 1K7	49.80	0.00	49.80
92	HYDRO ONE	P.O. BOX 4102, STATION "A" TORONTO ON M5W 3L3	373,775.70	0.00	373,775.70
93	IMPERIAL COLLEGE CENTRE	1030 KINGSWAY SUDBURY ON P3B 2E5	1,340.28	0.00	1,340.28
94	IN THE NEWS	8517 SUNSTATE ST TAMPA FL 33634 USA	211.00	0.00	211.00
95	INDUCTION IRON INC.	203B - 13909 N. DALE MABRY HWY TAMPA FL 33618-2413	2,171.06	0.00	2,171.06
96	INDUSTRIAL SAFETY TRAINERS INC.	219 SAUNDERS ROAD BARRIE ON L4N 9A3	3,503.00	0.00	3,503.00
97	INDUSTRIAL TOOL & FAST SUPPLY	1074 WEBWOOD DR SUDBURY ON P3C3B7	102.30	0.00	102.30
98	INDUSTRY CANADA	2ND FLOOR EAST 200A - 235 QUEEN OTTAWA ON K1A 0H5	13,314.94	0.00	13,314.94
99	INSIGHT CANADA INC.	5410 DECARIE BLVD MONTREAL PQ H3X 4B2	3,124.69	0.00	3,124.69
100	ISN SOFTWARE CANADA LTD.	PO BOX 9603, STN M CANADA AB T2P 0E9	4,915.50	0.00	4,915.50
101	JACQUES GAMACHE	398 BROADWOOD AVE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
102	JAMES LATHAM EXCAVATING LTD	NIVEN STREET P.O. BOX 176 NORTH COBALT ON P0J 1R0	2,395.60	0.00	2,395.60
103	JEBCO	111 ELLIS DRIVE BARRY ON L4V 8Z3	226,935.64	0.00	226,935.64
104	JEFFREY RADER USA	DEPT CH 17751 TERRASOURCE GLOBAL PALATINE IL 60055-7751 USA	142,492.00	0.00	142,492.00
105	JIM MIMMS	1805-25 KENSINGTON RD BRAMPTON ON L6T 2W8	1.00	0.00	1.00
106	JOEL LEVEILLE	180 BRUCE STREET NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
107	JONATHAN LARIVIERE 1209	12 SABOURIN VILLE MARIE QC J9V 1Z3	1.00	0.00	1.00
108	JORDAN DRAINVILLE 1207	94 CROSS LAKE ROAD NORTH COBALT ON P0J 1R0	1.00	0.00	1.00
109	KNOX ASSURANCE	705 CASSELLS ST NORTH BAY ON P1B 4A3	12,662.18	0.00	12,662.18

09 Jan 2015

Date


 Jeremy Borne

District of: Ontario
Division No. 15 - Haileybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 -- Continued

List "A"
Unsecured Creditors

Wabiron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
110	LANDMARK RESOURCES Attn: CHAD YERHA, LLB letter f	C/O GRECH CARTER P.C. 503- 55 EGLINGTON AVE. E. TORONTO ON M4V 2Y7	9,030.68	0.00	9,030.68
111	LEVITT SAFETY LIMITED	2872 BRISTOL CIRCLE OAKVILLE ON L6H 5T5	2,027.62	0.00	2,027.62
112	LONDON LIFE INSURANCE CO. ATT: MELISSA CABRAL	TERMINAL 540 255 DUFFERIN LONDON ON N6A 4K1	1,595.82	0.00	1,595.82
113	LOOMIS COURIER SERVICE LTD.	200 WESTCREEK BOULEVARD BRAMPTON ON L6T 5T7	247.09	0.00	247.09
114	MACAWBER ENGINEERING INC.	1829 CLYDESDALE ST. MARYVILLE TN 37801 USA	710.64	0.00	710.64
115	MACHTECH INC.	225 B'VD. BONA-DUSSAULT ST. MARC DES CARRIERES QC G0A 4B0	4,194.74	0.00	4,194.74
116	MACKEWN EXCAV. & CONTRACTING	A DIV. OF 1329148 ONTARIO LTD. 118253 SALES BARN RD BX1357 NEW LISKEARD ON P0J 1P0	480.25	0.00	480.25
117	MAJIC JOINING INNOVATION CTR	P.O. BOX 303 140 GOVERNMENT ROAD EAST KIRKLAND LAKE ON P2N 3H7	5,479.39	0.00	5,479.39
118	MANCOSO CHEMICALS LTD.	5725 PROGRESS ST. NIAGARA FALLS ON L2G 0C1	32,032.57	0.00	32,032.57
119	MAN TOULIN TRANSPORTATION	RADLEY'S HILL ROAD P.O. BOX 1559 NEW LISKEARD ON P0J 1P0	61,501.05	0.00	61,501.05
120	MANULIFE FINANCIAL	ATTN: CPC CLIENT SERVICES, KC-6 PO BOX 396 STN WATERLOO WATERLOO ON N2J 4A9	54,987.68	0.00	54,987.68
121	MANULIFE FINANCIAL	ATTN: CPC CLIENT SERVICES, KC-6 PO BOX 396 STN WATERLOO WATERLOO ON N2J 4A9	1,521,693.00	0.00	1,521,693.00
122	MARTY LOACH 1225	486 ROSS AVE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
123	METTLER TOLEDO	POSTAL STATION A P.O. BOX 1518 TORONTO ON M5W 3N9	3,359.21	0.00	3,359.21
124	MICRO INDUSTRIAL	PO BOX 25101 SASKATOON SK S7K 8B7	2,630.10	0.00	2,630.10
125	MILLER HEIMAN	PO BOX 41081 RENO NV 89504-5081 USA	8,475.00	0.00	8,475.00
126	MINING INTELLIGENCE & TECHN.	640- 580 HORNBY ST VANCOUVER BC V6C 3B6	2,712.00	0.00	2,712.00
127	MINING TECHNOLOGIES INT'L	145 MAGILL STREET LIVELY ON P3Y 1K6	3,377.29	0.00	3,377.29
128	MORLAND REAL ESTATE APPRAISALS	382 FRASER STREET NORTH BAY ON P1B 3W7	4,902.00	0.00	4,902.00
129	MOTION INDUSTRIES (CANADA) INC	POSTAL STATION A P.O. BOX 8046 TORONTO ON M5W 3W5	900.62	0.00	900.62

09-Jan-2015

Date


Jeremy Birnie

District of: Ontario
 Division No. 15 - Halleybury
 Court No. 31-1942523
 Estate No. 31-1942523

FORM 78 - Continued

List "A"
 Unsecured Creditors

Wabiron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
130	NEAR NORTH CUST. BROKERS INC	20 ELIJOT AVENUE BARRIE ON L4N 4V7	14,791.36	0.00	14,791.36
131	NEAR NORTH CUST. BROKERS US INC.	200 - 400 ESSJAY RD WILLAMSVILLE NY 14221 USA	167.00	0.00	167.00
132	NEOPOST	150 STEELCASE RD. W. MARKHAM ON L3R 3J9	473.92	0.00	473.92
133	NIAGARA PATTERN LTD.	6135 DON MURIE ST. NIAGARA FALLS ON L2E 6X8	42,137.70	0.00	42,137.70
134	NORDOORS	111 ST. GEORGE STREET SUDBURY ON P3C 2W7	2,201.99	0.00	2,201.99
135	NORTHERN ALLIED SUPPLY CO. LTD.	P.O. BOX 90 352 RAILWAY STREET TIMMINS ON P4N 7C8	168,726.87	0.00	168,726.87
136	NORTHERN SKYS AIRCRAFT SERV	LAST HANGER P.O. BOX 412 EARTON ON P0J 1E0	14,548.37	0.00	14,548.37
137	NORTHERN SURVEY SUPPLY	57 PINE ROAD MATTAWA ON P0H 1V0	305.10	0.00	305.10
138	NORTHERN TELEPHONE LIMITED	P.O. BOX 2208 TORONTO ON M5S 3G1	3,354.29	0.00	3,354.29
139	ONTARIO COURT OF JUSTICE	THE TOWN OF TEMISKAMING SHORES PROVINCIAL OFFENCES COURT HAILEYBURY ON P0J 1K0	59,260.00	0.00	59,260.00
140	ONTARIO MINING ASSOCIATION	520 - 5775 YONGE ST. TORONTO ON M2M 4L1	1,695.00	0.00	1,695.00
141	OPTA MINERALS	P.O. BOX 260 407 PARKSIDE DRIVE WATERDOWN ON L0R 2H0	5,678.30	0.00	5,678.30
142	ORIS EXPRESS CANADA INC	AMF BOX 6020 6500 SILVER DART DRIVE, 233 CORE "C" MISSISSAUGA ON L5P 1B2	980.00	0.00	980.00
143	OSHTED INCORPORATED	100 - 400 YORK ST. LONDON ON N6S 3N2	2,666.80	0.00	2,666.80
144	OVERHEAD DOOR CO. OF SUDBURY	P.O. BOX 2608 74 NATIONAL ST. GARSON ON P3L 1M5	4,520.00	0.00	4,520.00
145	PALMER MFG & SUPPLY INC	PO BOX 2579 SPRINGFIELD OH 45501 USA	4,282.50	0.00	4,282.50
146	PATRICK BREAUULT 1236	118 QUEEN STREET NORTH COBALT ON P0J 1R0	1.00	0.00	1.00
147	PAUL DUBUC 1326	HARRIS TWP 882378 HWY 65 EAST NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
148	PENDOCK MALCOLM LTD.	PO BOX 168 8081 CALDWELL CRESCENT GARDEN HILL ON L0A 1B0	231.65	0.00	231.65
149	PENSION BENEFITS GUARANTEE FUND	MINISTRY OF FINANCE P.O. BOX 620 OSHAWA ON L1H 8E6	19,762.97	0.00	19,762.97

09-Jan-2015

Date


 Jeremy Bano

District of: Ontario
Division No. 15 - Haileybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 - Continued

List "A"
Unsecured Creditors

Wabi Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
150	PRAXAIR PRODUCTS	352 RAILWAY STREET TIMMINS ON P4N 2P3	14,074.24	0.00	14,074.24
151	PURULATOR COURIER LTD.	ETOBICOKE POSTAL STATION P.O. BOX 1100 ETOBICOKE ON M9C 5K2	3,080.73	0.00	3,080.73
152	PYROTEK INCORPORATED	2400 LEMIRE BLVD. DRUMMONDVILLE PQ J2B 6X9	576.30	0.00	576.30
153	QSTEEL MINING SUPPLIES LTD	BICTON WA6157 6 CAVAN STREET BICTON WA6157 WA USA	74,278.24	0.00	74,278.24
154	QUADREM NETHERLANDS BV	PO BOX 8 STATION A TORONTO ON M5W 1P8	11,326.20	0.00	11,326.20
155	QUIPTEC INC.	683 BAYVIEW DRIVE BARRIE ON L4N 9A5	2,123.95	0.00	2,123.95
156	RBC - RRSP	5 ARMSTRONG ST NEW LISKEARD ON P0J 1P0	52,476.82	0.00	52,476.82
157	RECEIVER GENERAL OF CANADA	CANADIAN GOVERNMENT PUBLISHING PWGSC-CANADA OTTAWA ON K1A 0S9	2,585.32	0.00	2,585.32
158	RECEIVER GENERAL OF CANADA ACCT. #134717891RP	P.O. BOX 6000 STN MAIN SHAWINIGAN-SUD PQ G9N 7W2	190.30	0.00	190.30
159	RECEIVER GENERAL OF CANADA ACCT. #134717891RT	P.O. BOX 6000 STN MAIN SHAWINIGAN-SUD PQ G9N 7W2	2,851.03	0.00	2,851.03
160	ROMQUEST TECHN. CORP.	64 GURD COURT TORONTO ON M9V 4K6	119.00	0.00	119.00
161	RONSCO INC.	712 - 1440 ST CATHERINE ST. W. MONTREAL QC H3G 1R8	35,764.50	0.00	35,764.50
162	ROYAL BANK OF CANADA	RBC CREDIT CARD PAYMENT CENTRE P.O. BOX 6901 STATION A TORONTO ON M5W 1X6	3,169.29	0.00	3,169.29
163	ROYAL BANK OF CANADA	RBC CREDIT CARD PAYMENT CENTRE P.O. BOX 4016 TORONTO ON M5W 2E6	3,707.44	0.00	3,707.44
164	ROYAL TIRE NEW LISKEARD LTD	P.O. BOX 970 100 CRAVEN CRESCENT NEW LISKEARD ON P0J 1P0	15,649.49	0.00	15,649.49
165	RUTHANN LANDSMAN	253 WILLIAM AVE RENFREW ON K7V 2Z6	1.00	0.00	1.00
166	SAFETY-KLEEN CANADA LTD.	P.O. BOX 15221, STATION A TORONTO ON M5W 1C1	6,524.38	0.00	6,524.38
167	SAMJEL-ACME STRAPPING SYST.	2370 DIXIE ROAD MISSISSAUGA ON L4Y 1Z4	152.55	0.00	152.55
168	SCOTT BELL	349 MC KELVIE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00
169	SPEEDY GLASS	AUTO, RESIDENT AL. & COMM. 58 ARMSTRONG ST. NEW LISKEARD ON P0J 1P0	590.73	0.00	590.73
170	STEPHANE BARIL	294 LAKESHORE NEW LISKEARD ON P0J 1P0	1.00	0.00	1.00

C9-Jan-2015

Date


Jeremy Birnie

District of. Ontario
Division No. 15 - Halleybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 - Continued

List "A"
Unsecured Creditors
Wab Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
171	SUDBURY IRON & COPPER LTD.	1273 KELLY LAKE ROAD SUDBURY ON P3E 5P5	34,694.79	0.00	34,694.79
172	TALOS STEEL LTD.	199 MUMFORD ROAD LIVELY ON P3Y 1L2	19,363.68	0.00	19,363.68
173	TECHNOLEDGY SOLUTIONS LTD.	OFFICE PRO. 776 LASALLE BOULEVARD SUDBURY ON P3A 4V4	5,408.07	0.00	5,408.07
174	TEMISKAMING IND. MINING CO.	P.O. BOX 1330 HAILEYBURY ON P0J 1K0	67,806.93	0.00	67,806.93
175	TERRA POWER SYSTEMS INC.	1495 STONEYBROOK TRAIL OAKVILLE ON L6M 2P7	2,531.20	0.00	2,531.20
176	THE SHERWIN WILLIAMS CO	510 BRYNE DR F&S BARRIE ON L4N 9P6	410.91	0.00	410.91
177	THE WILLIAMSON GROUP	225 KING GEORGE ROAD BRANTFORD ON N3R 7N7	4,643.00	0.00	4,643.00
178	THURSTON MACHINE CO. LTD.	PO BOX 274 PORT COLBORNE ON L3K 5W1	153,680.00	0.00	153,680.00
179	TOM TUTTLEY	402 WHITEWOOD AVE NEW L'KEARD ON P0J 1P0	1.00	0.00	1.00
180	TOYOTA CREDIT CANADA INC.	200 - 80 MICRO COURT MARKHAM ON L3R 9Z5	6,321.26	0.00	6,321.26
181	TRANSCAT LTD.	P.O. BOX 5100 (T5023), STN. "F" TORONTO ON M4Y 2T5	590.22	0.00	590.22
182	TRAVIS WIGLE 1247	222 LAKE HEIGHTS RD NORTH BAY ON P1A 2Z3	1.00	0.00	1.00
183	UNICAST INC	871 STREMEL ROAD KELOWNA BC V1X 5E6	122,321.35	0.00	122,321.35
184	UNION GAS	P.O. BOX 2001 60 KEIL DR. N. CHATHAM ON N7M 5M1	18,383.80	0.00	18,383.80
185	UNITED PARCEL SERVICE	P.O. BOX 6157 MONCTON NB E1C 9W9	522.59	0.00	522.59
186	UNITED STEELWORKERS OF AMERICA	COMM. COURT POSTAL STATION P.O. BOX 9083 TORONTO ON M5L 1K1	947.40	0.00	947.40
187	VESUVIUS	ATTN: LINDA DUNCAN 333 PRINCE CHARLES DRIVE WELLAND ON L3B 5A6	5,980.25	0.00	5,980.25
188	VICTAULIC CUSTOM CASTING CO.	123 NEWARK ROAD RICHMOND HILL ON L4C 3G5	1,172.94	0.00	1,172.94
189	WALLY HEARN	RR#1 COBALT ON P0J 1C0	1.00	0.00	1.00
190	WEAR-TEK	9021 WEST HWY 2 SPOKANE WA 99224 USA	39,475.59	0.00	39,475.59
191	WESA INC.	171 VICTORIA STREET NORTH KITCHENER ON N2H 5C5	2,179.49	0.00	2,179.49
192	WORKERS COMP. BOARD MANITOBA	333 BROADWAY WINNIPEG MB R3C 4W3	200.77	0.00	200.77

09-Jan-2015

Date


Jeremy Birnie

District of: Ontario
Division No. 15 - Haileybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 78 -- Continued

List "A"
Unsecured Creditors

Wabi Iron & Steel Corp

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
193	WORKPLACE SAFETY & INS. BOARD	P.O. BOX 4*15, STN "A" TORONTO ON M5W 2V3	28,233.04	0.00	28,233.04
194	WORKPLACE SAFETY & PREVENTION	SERVICES (WSPS) 5110 CREEKBANK ROAD MISSISSAUGA ON L4W 0A1	1,149.21	0.00	1,149.21
195	WORKPLACE SAFETY & PREVENTION SRV	5110 CREEKBANK ROAD MISSISSAUGA ON L4W 0A1	7,563.43	0.00	7,563.43
196	WORKPLACE SAFETY NORTH	P.O. BOX 2050, STN MAIN 690 MCKEOWN AVE. NORTH BAY ON P1B 9P1	1,025.04	0.00	1,025.04
197	XTREME STEEL & PROFILES	35 S'NCLAIR AVENUE GEORGETOWN ON L7G 1J3	42,238.51	0.00	42,238.51
198	ZZ JS EXCHANGE RATE 1.1360	-	122,420.00	0.00	122,420.00
Total:			5,360,077.86	1,274,533.78	6,634,611.64

09-Jan-2015

Date


Jeremy Borne

District of: Ontario
Division No. 15 - Haileybury
Court No. 31-1942523
Estate No. 31-1942523

FORM 76 - Continued

List "B"
Secured Creditors

Wab Iron & Steel Corp

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	HERITAGE FUND	BRUCE STRAPP 200-70 FOSTER DRIVE SAULT STE-MARIE ON P6A 6V8	3,059,705.41	Business Assets - Machinery - Machinery & equipment Business Assets - Stock in Trade - inventory Debts Due - Business - Accounts receivable Real Property or Immovable - Building and Land - New Liskeard - 330 Broadwood Ave		1,041,744.35 743,427.28 0.00 0.00		1,274,533.78
2	ROYAL BANK OF CANADA	RICHARD CRAWFORD 20 KING ST, 9TH FLOOR TORONTO ON M5H 1C4	1,562,921.71	Debts Due - Business - Accounts receivable Business Assets - Machinery - Machinery & equipment Business Assets - Stock in Trade - inventory Real Property or Immovable - Building and Land - New Liskeard - 330 Broadwood Ave		1,087,921.71 0.00 0.00 475,000.00		
3	SOUTH TEMISKAMING COMMUNITY FUTURE DEV	467 FERGUSON AVE HAILEYBURY ON PO: 1K0	600,000.00	Business Assets - Machinery - Machinery & equipment Business Assets - Stock in Trade - inventory Debts Due - Business - Accounts receivable Real Property or Immovable - Building and Land - New Liskeard - 330 Broadwood Ave		84,045.65 0.00 515,954.35 0.00		
Total:			5,222,527.12			3,948,093.34	0.00	1,274,533.78

09-Jan-2015

Date


Jeremy Baine

RICHTER

THIS INFORMATION SHEET IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM FORM

- ☐ The proof of claim must be signed by the individual completing the form.
- ☐ The signature of the claimant must be witnessed.
- ☐ Give the complete address (including postal code) where all notices and correspondence are to be forwarded.
- ☐ The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- ☐ If the individual completing the proof of claim is not the creditor himself, he must state his position or title.
- ☐ The creditor must state the full and complete legal name of the Company or the claimant.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- ☐ A detailed statement of account must be attached to the proof of claim and must show the date, the invoice number and the dollar amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. In addition, a creditor must indicate his/her address, phone number, fax number and E-mail address.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- ☐ An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- ☐ A claim of landlord (subparagraph (B)) for disclaim of lease must be completed with full particulars and calculations.
- ☐ A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- ☐ A farmer, fisherman or aquaculturist must complete subparagraph (D).
- ☐ A wage earner must complete subparagraph (E), if applicable.
- ☐ Section F must be completed with regard to a pension plan.
- ☐ A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- ☐ A customer of a bankrupt securities firm must complete subparagraph (H).

PARAGRAPH 5 OF THE PROOF OF CLAIM

- ☐ The claimant must indicate whether he/she is or is not related to the debtor, as defined in the Bankruptcy and Insolvency Act, by striking out that which is not applicable.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- ☐ The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the three months preceding the initial bankruptcy event, in the case where the claimant and the debtor are not related;
 - b) within the twelve months preceding the initial bankruptcy event, in the case where the claimant and the debtor are related.

PROXY

- a) A creditor may vote either in person or by proxy;
- b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
- c) The Trustee may be appointed as a proxy for any creditor;
- d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

T. 416.488.2345 / 1.888.805.1793

F. 514.934.8603

claims@richter.ca

Richter Advisory Group Inc.
181 Bay Street, Suite 3320, Bay Wellington Tower
Toronto, ON M5J 2T3

www.richter.ca

Montréal, Toronto

(français – recto)



RICHTER

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

In the Matter of the Proposal of Wabi Iron & Steel Corp., of the City of New Liskeard, Province of Ontario, and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor).
2. That I have knowledge of all of the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the Notice of Intention, namely December 12, 2014, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A" after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. Check and complete appropriate category
 - ☐ A. UNSECURED CLAIM OF \$ _____
(Other than as a customer contemplated by Section 262 of the Act)
That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description)
 - ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
("Ordinary Creditor")
 - ☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
("Preferred Creditor")
(Set out on an attached sheet details to support priority claim)
 - ☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)
 - ☐ C. SECURED CLAIM OF \$ _____
That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
 - ☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts).

T. 416.488.2345 / 1.888.805.1793

F. 514.934.8603

claims@richter.ca

Richter Advisory Group Inc.
181 Bay Street, Suite 3320, Bay Wellington Tower
Toronto, ON M5J 2T3
www.richter.ca Montréal, Toronto



Signature of witness

RICHTER

CANADA
Province of Ontario
District of: Ontario
Division No. 15-Haileybury
Court No. 31-1942523
Estate No. 31-1942523

SUPERIOR COURT OF JUSTICE In Bankruptcy and Insolvency

VOTING LETTER (Division 1 Proposal) (Paragraph 51(1)f) of the Act)

In the Matter of the Proposal of Wabi Iron & Steel Corp.

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (name of city), a creditor in the above matter for the sum of
\$ _____, hereby request the trustee acting with respect to the proposal of **Wabi Iron & Steel Corp.** to record my vote _____ (for or against) the acceptance of the
proposal as made on January 9, 2015.

Dated at _____, this _____ day of _____ 201 _____.

Name of Individual Creditor (Please print)

Signature of Individual Creditor

Signature of Witness

- OR -

Name of Corporate Creditor (Please print)

Signature of Corporate Creditor

Signature of Witness

Name and Title of Signing Officer (Please print)

T. 416.488.2345 / 1.888.805.1793
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
181 Bay St., Suite 3320, Bay Wellington Tower
Toronto, ON M5J 2T3
www.richter.ca

Montréal, Toronto

(français – recto)



**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, C. B-3, as amended**

-and-

IN THE MATTER OF THE PROPOSAL OF WABI IRON & STEEL CORP.

PROPOSAL

Wabi Iron & Steel Corp. hereby submits the following Proposal to all of its Creditors pursuant to part III of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE I

DEFINITIONS

1.1 Definitions

In this Proposal, save and except as otherwise defined, the following defined terms have the following meaning:

- (a) "Administrative Fees and Expenses" means the fees and expenses, including legal fees and disbursements, of the Trustee and the Debtor for and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal including, without limitation, any meeting or meetings of creditors to consider the Proposal and any application for Court approval of the Proposal;
- (b) "Approval Order" means an Order of the Court approving the Proposal;
- (c) "BIA" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and in force at the Date of Filing;
- (d) "Business Day" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) "Canada Pension Plan" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;



- (f) "Claim" means any right of any Person against the Debtor that may be made in whole or in part against the Debtor or any property or assets of the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence at the Date of Filing or which is based on an event, act, or omission which occurred in whole or in part prior to the Date of Filing, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of the Date of Filing;
- (g) "Claim Determination Date" means the date on which the validity of all proofs of claim filed by Creditors has been finally determined in accordance with the BIA;
- (h) "Court" means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (i) "Creditor" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (j) "Creditors' Meeting" means any meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (k) "Creditors' Meeting Date" means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;
- (l) "Date of Filing" means December 12, 2014, the date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver;
- (m) "Debtor" means Wabi Iron & Steel Corp.
- (n) "Election to Reduce Claim" means the form of election attached as Appendix I to this Proposal;
- (o) "Employment Insurance Act" means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;



- (p) "Implementation Date" means the date upon which the conditions set forth in Article 7.4 have been satisfied;
- (q) "Income Tax Act" means the *Income Tax Act*, R.S.C. c. 1 (5th Supp), as amended;
- (r) "Inspectors" means one or more inspectors appointed pursuant to the BIA, as provided for in the Proposal;
- (s) "Official Receiver" shall have the meaning ascribed thereto in the BIA;
- (t) "Ordinary Creditors" means Creditors with Proven Unsecured Claims , except for those that are:
 - (I). Preferred Creditors; or
 - (II). Unaffected Creditors;
- (u) "Payment Certificate" means a certificate issued in accordance with Article VI hereof;
- (v) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof; or any other entity howsoever designated or constituted;
- (w) "Plan" means the pension plan for employees of Wabi Iron and Steel Corp., Registration Number 1001916;
- (x) "Preferred Creditors" means Creditors with Proven Unsecured Claims which are required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation:
 - (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor became bankrupt on the Date of Filing, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period. For greater certainty, amounts due or which may become due pursuant to this paragraph do not include claims for severance or termination pay or any compensation in lieu of notice of termination; and



- (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Date of Filing and are of a kind that could be subject to a demand under,
 - (A) subsection 224(1.2) of the *Income Tax Act*;
 - (B) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - (1) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (2) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (y) "Proof of Claim" shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (z) "Proposal" means this proposal together with any amendments or additions thereto;
- (aa) "Proposal Date" means January 9, 2015;
- (bb) "Proven Unsecured Claim" of a Creditor means the amount of the Claim of such Creditor (other than Unaffected Claims) finally determined in accordance with the provisions of the BIA;
- (cc) "Secured Creditor" means Royal Bank of Canada;



- (dd) "Term Lenders" means collectively Northern Ontario Heritage Fund Corporation and Temiskaming Community Futures Development Corporation;
- (ee) "Trustee" means Richter Advisory Group Inc. or its duly appointed successor or successors;
- (ff) "Unaffected Claims" means any and all claims of Unaffected Creditors;
- (gg) "Unaffected Creditors" means the Secured Creditor, the Term Lenders, Unaffected Trade Creditors and any amounts owing to the Plan;
- (hh) "Unsecured Creditors" means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (ii) "Unaffected Trade Creditor" means those Ordinary Creditors who i) are suppliers of goods and services determined by the Debtor, in consultation with the Proposal Trustee, to be critical to its ongoing operations and restructuring efforts, ii) whose goods and services cannot be reasonably sourced from Persons without material delay or cost, and iii) are identified to the Proposal Trustee prior to the Proposal Trustee issuing its report to Creditors with respect to this Proposal;
- (jj) "Voting Letter" shall mean the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental thereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.5 Time



All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE II

GENERAL INTENT

2.1 Effect of Proposal

This Proposal provides for the restructuring of the liabilities of the Debtor through the distribution to Unsecured Creditors of either a monetary payment or a Payment Certificate (as more fully described in Article VI of this Proposal) that will be provided to the Trustee by the Debtor and distributed by the Trustee in accordance with the terms of this Proposal, in full and final satisfaction of all Claims (other than Unaffected Claims) against the Debtor.

2.2 Persons Affected

This Proposal will, as of the Implementation Date, be binding on the Debtor and all Creditors.



2.3 Post-Filing Goods and Services

All goods supplied and services rendered to the Debtor subsequent to the Date of Filing shall be paid for in full in the ordinary course of business by the Debtor on terms agreed to between the Debtor and the relevant creditors.

2.4 Assets Remain Vested in Debtor

The assets of the Debtor shall not vest in the Trustee, but shall remain vested in the Debtor, and the Trustee shall have no liability whatsoever for the claims of any creditors arising before, on or after the Date of Filing.

ARTICLE III

CLASSIFICATION AND TREATMENT OF CREDITORS

3.1 Unaffected Creditors

This Proposal is not being made to Unaffected Creditors and does not impact Unaffected Claims. Unaffected Claims shall be dealt with in accordance with the agreements between the relevant Unaffected Creditor and the Debtor or as otherwise agreed between the relevant Unaffected Creditor and the Debtor.

3.2 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Debtor shall be comprised of one class, as follows:

Unsecured Creditors

3.3 Preferred Creditors

The Proven Unsecured Claims of the Preferred Creditors are to be paid by the Trustee in full in priority to all Proven Unsecured Claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the BIA. For greater certainty, the amounts referred to in Article 1.1(w)(i) shall be paid immediately after the making of the Approval Order and the amount referred to in Article 1.1(w)(ii) shall be paid within six (6) months of the Approval Order or as otherwise agreed.

3.4 Ordinary Creditors

The Proven Unsecured Claims of Ordinary Creditors will be satisfied in accordance with Article VI.

3.5 Different Capacities



Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

ARTICLE IV

PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Unsecured Creditor must file a Proof of Claim to vote on, or to receive a distribution under, the Proposal.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The Trustee shall have the power and authority to determine the validity of all claims made against the Debtor, including the validity of any security held by Persons claiming to be Secured Creditors of the Debtor.

4.3 Claims Bar Process

Forthwith after the Implementation Date, the Trustee shall give notice pursuant to section 149 of the BIA by registered mail to every person with a claim of which the Trustee has notice or knowledge, but whose claim has not been filed or proved that if such person does not prove his claim within a period of thirty (30) days after the mailing of the notice, the Trustee will proceed to declare a final dividend without regard to such person's claim; the dividend referred to in said notice shall be deemed a final dividend and any person so notified who does not provide his claim within the said thirty (30) days shall be barred from making a claim in this Proposal or sharing in any dividend hereunder, subject to any exceptions set out in sections 149(2)(3) and (4) of the BIA.

ARTICLE V

MEETING OF CREDITORS

5.1 Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting



Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Trustee's notice of meeting to be mailed pursuant to the BIA.

5.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

5.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section 52 of the BIA.

5.5 Voting by Unsecured Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to that Creditor's Proven Unsecured Claim.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Unsecured Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

5.7 Appointment of Inspectors

At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.



Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the discharge of the Trustee.

5.8 Valuation of Claims

The procedure for valuing Claims of Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. The Debtor and/or the Trustee reserve the right to seek assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

ARTICLE VI

DISTRIBUTION

6.1 Implementation of Proposal

- (a) On the Implementation Date, the Debtor shall pay to the Trustee an amount sufficient to pay the Administrative Fees and Expenses and the Proven Unsecured Claims of the Preferred Creditors in accordance with Article 3.3 (the "Initial Proceeds"). The Administrative Fees and Expenses and the Proven Unsecured Claims of the Preferred Creditors shall be paid by the Trustee out of the Initial Proceeds in accordance with Article 3.3;
- (b) Each Ordinary Creditor which, on the Date of Filing, (i) holds Proven Unsecured Claims in an aggregate amount of \$1,500 or less or, (ii) holds Proven Unsecured Claims in an aggregate amount of in excess of \$1,500 and, by providing an Election to Reduce Claim to the Trustee prior to the date which is two Business Days following the making of the Approval Order, reduces the aggregate amount of all such Ordinary Creditor's Proven Unsecured Claims to \$1,500, in either case, will receive in respect of its Proven Unsecured Claims, within ten Business Days after the Implementation Date or as soon thereafter as is practicable, in full and final satisfaction of those Proven Unsecured Claims, a dividend equal to the lesser of:
 - (i) \$1,500; and
 - (ii) The aggregate amount of such Creditor's Proven Unsecured Claims;

In all cases, subject to deduction of the Superintendent's Levy payable in respect thereof.



A Person who receives a payment in accordance with this Article 6.1(b) shall not be entitled to any other payment or consideration with respect to such Person's Proven Unsecured Claims and such Person's Proven Unsecured Claims shall be discharged and extinguished upon such Person's receipt of payment hereunder.

An Ordinary Creditor who, on the Date of Filing, holds Proven Unsecured Claims in the aggregate amount of \$1,500 or less shall be deemed to vote in favour of the Proposal.

- (c) Each Ordinary Creditor who, on the Date of Filing, holds Proven Unsecured Claims in an aggregate amount in excess of \$1,500 and who has not provided to the Trustee an Election to Reduce Claim on or before the date which is two Business Days following the making of the Approval Order shall, within thirty Business Days following the Implementation Date or as soon thereafter as is practicable, receive a certificate (a "Payment Certificate") in an amount equal to the aggregate amount of all its Proven Unsecured Claims, minus a *pro rata* portion of the total amount of the Superintendent's Levy required by the BIA to be paid in respect of all such distributions, in full and final satisfaction of its Proven Unsecured Claims. The Payment Certificate will provide that the holder of the Payment Certificate is entitled to a *pro rata* share of the amount to be distributed by the Debtor in accordance with paragraph (e) below;
- (d) The Trustee shall pay the Superintendent's Levy with respect to the cash dividends paid and distribute to the Superintendent of Bankruptcy a single Payment Certificate for the remaining amount of the Superintendent's Levy required by the BIA, calculated on the assumption that there will be dividends paid in an amount equal to the face amounts of the Payment Certificates;
- (e) Within 180 days of the end of the fiscal years ending in 2015, 2016 and 2017, the Debtor shall distribute to holders of Payment Certificates, on a *pro rata* basis based upon the face amount of the Payment Certificates, an amount equal to their *pro rata* share of a percentage of the Debtor's income after taxes ("Profits")(calculated as set out below and determined pursuant to the Debtor's audited statements) which will be payable without interest, as follows :

Profits for the Year	Percentage to Certificate Holders	Maximum Cumulative Payment to Certificate Holders
\$0 to \$1.5 million	20%	\$300,000

\$1.5 Million to \$2.0 Million	30%	\$450,000
\$2.0 Million to \$2.5 Million	40%	\$650,000
Greater than \$2.5 Million	50%	Balance of outstanding Payment Certificates

Profits shall be calculated in accordance with Canadian accounting standards for private enterprises on the basis of the Debtor's income after tax. For certainty, Profits shall not in any manner reflect any direct benefit Wabi receives as a result of any compromise of any Claim pursuant to this Proposal or pursuant to revised Term Lender obligations. The term of the Payment Certificates shall be 3 years commencing with the 2015 calendar year. The Debtor will make such distributions until the earlier of: (i) the distribution required hereby for the year ended December 31, 2017, or (ii) such time as the amount of the distributions made by the Debtor equals the total face amount of the Payment Certificates issued pursuant hereto. Provided that the Debtor makes all distributions that it is required to make pursuant to this Article 6.1(e), then, even if holders of the Payment Certificates have still not received aggregate payments equal to the total face amount of their Payment Certificates once the payments required to be made hereunder in respect of the 2017 calendar year are made, the Payment Certificates shall be of no further force and effect and the Debtor shall have no further obligation to the holders of the Payment Certificates and the holders of the Payment Certificates shall have no further right or recourse against the Debtor in respect thereof; and

- (f) The debtor shall include with the distributions hereunder a report from a senior officer stating that, in his or her opinion, the computation of the Profits has been made in accordance with paragraph (e).

6.2 Discharge of Trustee

Upon distribution of the amounts payable under Article 6.1(b), the Payment Certificates under Article 6.1(c), and payment of the Administrative Fees and Expenses and the Proven Unsecured Claims of Preferred Creditors, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor before, on or after the Date of Filing and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

6.3 Certificate of Full Performance

Upon distribution of the amounts payable under Article 6.1(b) and the Payment Certificates, and payment of the Administrative Fees and Expenses and the Proven Unsecured Claims of the Preferred Creditors, this Proposal shall have been fully performed and the Trustee shall issue to the Debtor the certificate referred to in section 65.3 of the BIA.

ARTICLE VII

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

Upon the implementation of this Proposal on the Implementation Date, all Claims other than Unaffected Claims shall be forever discharged and released, excepting only the obligations of the Debtor to make distributions in respect of the Payment Certificates in the manner and to the extent provided for in this Proposal. The distributions contemplated hereunder will be binding upon each Creditor, its heirs, executors, administrators, successors and assigns, for all purposes.

7.2 Modification of Proposal

The Debtor or any Creditor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Creditor (other than Unaffected Creditors in respect of Unaffected Claims) shall be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and



priority and the provisions of such agreement or other arrangement shall be amended accordingly; and

- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set-off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with Claims, the business and affairs of the Debtor, the Proposal or any of the matters herein.

7.4 Conditions to Proposal Implementation

The Implementation of the Proposal by the Debtor will be conditional upon the fulfillment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors;
- (b) approval of the Proposal by the Court and the expiry of all appeal periods; and
- (c) approval of a settlement agreement with each of the Term Lenders on terms satisfactory to the Debtor and the Term Lenders.

7.5 Release

Upon the Implementation Date, each and every present and former director of the Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose on or before the Date of Filing and that relate to the obligation of the Debtor where the directors are by law liable in their capacity as directors for the payment of such obligations, and provided nothing herein shall release or discharge any of the directors from claims that:

- (a) relate to contractual rights of one or more Creditors arising from contracts with one or more directors; or
- (b) are based on allegations of misrepresentation made by directors to Creditors ore of wrongful or oppressive conduct by directors.



This release shall have no force or effect if the Debtor goes bankrupt before the terms of the Proposal are performed.

7.6 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of Creditors (other than in respect of Unaffected Creditors); and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of all Claims (other than Unaffected Claims).

7.7 Sections 95 to 101 of the BIA

Sections 95 to 101 of the BIA shall not apply.

7.8 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, prepaid mail, or fax to the respective parties as follows:

- (a) if to the Debtor:

Wabi Iron & Steel Corp.
P.O. Box 1510, 330 Broadwood Avenue
New Liskeard, Ontario
P0J 1P0

Attention: Jeremy Birnie
Fax: (705) 647-6954

with a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: Larry Ellis
Fax: (416) 640-3005

- (b) if to an Unsecured Creditor, to the address or fax for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier



number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

(c) if to the Trustee:

Richter Advisory Group Inc.
181 Bay Street, Suite 3320
Bay Wellington Tower
Toronto, Ontario
M5J 2T3

Attention: Adam Sherman
Fax: (514) 934-8603

or to such other address or fax number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, telecopier or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

7.9 Foreign Currency Obligations

For the purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Date of Filing.

7.10 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.11 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or



unenforceable for any reason whatsoever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

7.12 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable, are conclusive and irrevocable.

DATED at the City of New Liskeard, in the Province of Ontario, this 9th day of January, 2015.

WABI IRON & STEEL CORP.

Per: _____


Name: Jeremy Birnie

Title: President

SCHEDULE I

ELECTION TO REDUCE CLAIM

TO: RICHTER ADVISORY GROUP INC. ("Richter"), in its capacity as Trustee in re the Proposal of Wabi Iron & Steel Corp. ("Wabi")

RE: THE PROPOSAL OF WABI IRON & STEEL CORP. (the "Wabi Proposal")

For use by Unsecured Creditors of Wabi with aggregate Proven Unsecured Claims in excess of \$1,500 who wish to reduce their total Proven Unsecured Claim to \$1,500 and receive a cash payment.

THE UNDERSIGNED CREDITOR with Proven Unsecured Claims against Wabi acknowledges that the total amount of its Proven Unsecured Claims exceeds \$1,500 and hereby:

- (i) reduces the aggregate of the undersigned's Proven Unsecured Claim to \$1,500;**
- (ii) releases all other Unsecured Claims of the undersigned;**
- (iii) hereby definitive elects to vote in favour of the Proposal and appoints the Proposal Trustee as proxy such that the Proposal Trustee is hereby directed to vote in favour of the Proposal and to take such steps as are necessary to support the Proposal; and**
- (iv) elects to receive payment in accordance with Section 6.1(b) rather than Section 6.1(c) of the Wabi Proposal.**

Dated this _____ day of January, 2015.

Print name of Unsecured Creditor

Signature of Unsecured Creditor or, if the Unsecured Creditor is a corporation, signature of an authorized signing officer of the corporation

Title of Authorized Signing Officer

THIS ELECTION MUST BE PROVIDED TO THE TRUSTEE SO THAT IT IS RECEIVED BY THE TRUSTEE AT THE FOLLOWING ADDRESS ON OR BEFORE THE DATE WHICH IS TWO (2) BUSINESS DAYS FOLLOWING THE MAKING OF THE APPROVAL ORDER

Richter Advisory Group Inc.
(in its capacity as Trustee in re
the Proposal of Wabi Iron & Steel Corp.)
181 Bay Street, Suite 3320
Bay Wellington Tower
Toronto, Ontario M5J 2T3

Attention: Adam Sherman
Telephone: (416) 642-4836
Fax: (514) 934-8603

IN THE MATTER OF THE PROPOSAL OF

**WABI IRON & STEEL CORP.
OF THE CITY OF NEW LISKEARD
IN THE PROVINCE OF ONTARIO**

**REPORT OF THE PROPOSAL TRUSTEE ON THE
FINANCIAL SITUATION OF THE DEBTOR AND THE PROPOSAL
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

This report provides an outline of the background and financial position of Wabi Iron & Steel Corp. ("Wabi" or the "Company"), including relevant information that should be of assistance to the Company's creditors in considering their position with respect to the Proposal (as defined herein) being presented by the Company to its creditors.

Enclosed are the following documents:

- Notice of Proposal to Creditors;
- Proposal, under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3 (the "BIA") lodged with Richter Advisory Group Inc. ("Richter" or the "Proposal Trustee") by the Company and filed with the Official Receiver on January 9, 2015 (the "Proposal");
- The Company's Statement of Affairs sworn January 9, 2015;
- A Proof of Claim form and general Proxy; and
- A Voting Letter.

In preparing this report the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records, discussions with the Company's representatives and the Company's legal counsel. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information.

Unless otherwise stated, monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this report have the meanings attributed to such items in the Proposal.

Section A – Introduction and Background

Wabi is a privately held company, which manufactures metal castings and specialized equipment for the mining industry. Wabi also provides custom engineering services to a variety of industries.

The Company operates from an owned, 112,000 square foot facility located in Temiskaming Shores, Ontario. The Company has approximately 57 employees, including both salaried and hourly workers. The Company has a unionized workforce and also sponsors a pension plan for its employees.

Due, in part, to a depressed resource/mining sector and a general slowdown in the mining industry, Wabi has suffered declining sales and reduced gross margins resulting in operating losses over the previous several years.

In order to address its market and financial difficulties, the Company has informed the Proposal Trustee that it undertook a number of restructuring steps, including:

- (i) reducing its workforce;
- (ii) rationalizing its manufacturing operations to focus on higher margin products; and
- (iii) renegotiating the Company's obligations to certain of its secured creditors.

Notwithstanding the Company's restructuring efforts, the Company's current debt load has proven too much of a burden for the Company. As a result, on December 12, 2014 (the "NOI Filing Date"), the Company filed a Notice of Intention to Make a Proposal ("NOI") under Subsection 50.4(1) of the BIA.

On January 9, 2015, the enclosed Proposal naming Richter as Proposal Trustee, was filed with the Official Receiver.

Section B – Summary of the Proposal

A brief summary of the Proposal is provided below. The terms of the Proposal would be effective if:

1. The Creditors comprising the class of Unsecured Creditors vote for acceptance of the Proposal by a majority in number and two thirds in value of the Creditors comprising such class that are present, personally or by proxy, at the Creditors' Meeting and voting on the resolution; and
2. The Proposal is approved by the Court, in accordance with the provisions of the BIA.

The Proposal provides for the restructuring of the Company's liabilities through the distribution to Unsecured Creditors of either (i) a monetary payment of up to \$1,500, or (ii) a Payment Certificate, as further described below. The Proposal provides for the following:

1. The Proposal is not being made to the following Unaffected Creditors whose claims shall be dealt with in accordance with the agreements between the relevant Unaffected Creditor and the Company or as otherwise agreed between the relevant Unaffected Creditor and the Company:
 - (a) the Secured Creditor;
 - (b) the Term Lenders;
 - (c) the Unaffected Trade Creditors; and
 - (d) the claims relating to amounts owing to the pension plan for Wabi employees (registration number 1001916).
2. The fees and expenses of the Proposal Trustee and the Company, including legal fees and expenses of the Proposal Trustee and the Company in connection with the preparation of and proceedings arising out of or relating to the Proposal, are to be paid by the Company in priority to all Proven Unsecured Claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the BIA.

3. Claims as of the NOI Filing Date that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) (the "ITA"), any provision of the *Canada Pension Plan* or *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA, or any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, shall be paid within six (6) months after the issuance of the Approval Order.
4. Amounts owing to the Company's employees and former employees that they would qualify to receive as claims under paragraph 136(1)(d) of the BIA if the Company became bankrupt on the NOI Filing Date, as well as all wages, salaries, commissions or compensation for services rendered after the NOI Filing Date but before Court approval of the Proposal, are to be paid immediately after the issuance of the Approval Order or as otherwise agreed. For greater certainty, amounts due or which may become due do not include claims for severance or termination pay or any compensation in lieu of notice of termination.
5. Unsecured Claims as of the NOI Filing Date are to be dealt with as follows:
 - (a) Creditors having (i) Proven Unsecured Claims in an aggregate amount of \$1,500 or less, and (ii) Creditors having Proven Unsecured Claims in an aggregate amount in excess of \$1,500 and who provide to the Proposal Trustee an Election to Reduce Claim prior to the date which is two (2) Business Days following the issuance of the Approval Order and who reduce the aggregate amount of their Proven Unsecured Claims to \$1,500, will receive within ten (10) Business Days after the Implementation Date or as soon thereafter as is practicable, a dividend equal to the lesser of \$1,500 and the aggregate amount of such Creditor's Proven Unsecured Claims;
 - (b) Creditors with Proven Unsecured Claims in an aggregate amount in excess of \$1,500 and who have not provided the Proposal Trustee with an Election to Reduce Claim on or before the date which is two (2) Business Days following the issuance of the Approval Order, will within thirty (30) Business Days following the Implementation Date or as soon thereafter as is practicable, receive a Payment Certificate in an amount equal to the aggregate amount of all its Proven Unsecured Claims. The Payment Certificate will provide that the holder of the Payment Certificate is entitled to a pro rata share of the amount to be distributed by the Company in accordance with paragraph 5(c) below;
 - (c) Within 180 days of the Company's fiscal year end commencing in 2015 and ending in 2017, the Company (not the Proposal Trustee) will distribute to holders of Payment Certificates, on a pro rata basis based upon the face amount of the Payment Certificates, an amount equal to their pro rata share of a percentage of the Company's income after taxes ("**Profits**") (calculated as set out below and determined pursuant to the Company's audited financial statements) which will be payable without interest, as follows:

Profits for the year	Percentage to Certificate Holders	Maximum Cumulative Payment to Certificate Holders
\$0 to \$1.5 million	20%	\$300,000
\$1.5 million to \$2.0 million	30%	\$450,000
\$2.0 million to \$2.5 million	40%	\$650,000
Greater than \$2.5 million	50%	Balance of outstanding Payment Certificates

Profits will be calculated in accordance with Canadian accounting standards for private enterprises. For certainty, Profits will not in any manner reflect any direct benefit Wabi receives as a result of any compromise of any Claim pursuant to the Proposal or pursuant to revised Term Lender obligations. The term of the Payment Certificates will be three years commencing with the 2015 fiscal year. The Company will make distributions each year until the earlier of (i) the distribution required for the 2017 fiscal year, or (ii) such time as the amount of the distributions made by the Company equals the total face amount of the Payment Certificates issued. If holders of Payment Certificates have not received the total face amount of their Payment Certificate once the payments in respect of the 2017 fiscal year are made, then the Payment Certificates will be of no further force and effect and the Company will have no further obligation to the holders of the Payment Certificates.

All distributions made to Unsecured Creditors, either by way of cash or Payment Certificate, will be net of the Superintendent of Bankruptcy levy payable pursuant to the BIA.

6. The monetary payment provided for in paragraph 5(a) above or the Payment Certificate will be distributed in full and final satisfaction of all Claims (other than Unaffected Claims) against the Company. On the Implementation Date, all Claims (other than Unaffected Claims) against the Company will be forever discharged and released, except only the obligations of the Company to make the monetary payments and distribute the Payment Certificates provided for in the Proposal.
7. On the Implementation Date, each Creditor (other than Unaffected Creditors) will be deemed to have given the consent, releases, assignments and waivers required to carry out the Proposal, and authorizations necessary to give effect to the terms of the Proposal.
8. All goods supplied and services rendered to the Company after the NOI Filing Date are to be paid in full in the ordinary course of business by the Company on terms agreed to between the Company and the relevant creditors.
9. On the Implementation Date, the Company, the Proposal Trustee and all of their respective affiliates, employees, agents, directors, former directors, officers, shareholders, advisors, consultants and solicitors are released and discharged from any and all claims relating to or arising out of any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to the Claims, the business and affairs of the Company or the Proposal.
10. Sections 95 to 101 of the BIA, which relate to the power of a trustee in bankruptcy to challenge transactions, such as preferences and transfers at undervalue, are stated to not apply in the Proposal.
11. On the Implementation Date, to the extent permitted by the BIA, each and every present and former director of the Company shall be released and forever discharged from any and all claims against the Company where directors are by law liable in their capacity as directors for the payment of such obligations.
12. Upon distribution of the payments described in paragraph 5(a) above, the Payment Certificates referred to in paragraph 5(b) above, the payment of fees and disbursements described in paragraph 2 above and the payment of the Claims described in paragraphs 3 and 4 above, the Proposal will have been fully performed, and the Proposal Trustee will provide to the Company the certificate referred to in Section 65.3 of the BIA (Certificate of Full Performance of Proposal).

13. The implementation of the Proposal is conditional upon the fulfillment of all of the following conditions:

- (a) the Proposal being accepted by the Unsecured Creditors;
- (b) the Proposal being approved by the Court and the expiry of all appeal periods; and
- (c) the approval of a settlement agreement with each of the Term Lenders on terms satisfactory to the Company and the Term Lenders.

The description of the Proposal in this report is a summary only and is only provided for the assistance of the Creditors. In the event there is any inconsistency between this report and the Proposal, the terms of the Proposal shall govern. Creditors are advised to read the Proposal.

Section C – Financial Position and Causes of Difficulties

The Company's operating results for the fiscal years ended October 1, 2011, September 29, 2012, September 28, 2013 and September 27, 2014 are summarized in the table below:

Wabi Iron & Steel Corp. Historical Financial Results				
	Fiscal Year			
	2011 (unaudited)	2012 (audited)	2013 (audited)	2014 (unaudited)
Sales	\$ 13,835,159	\$ 16,018,716	\$ 15,286,087	\$ 12,576,205
Cost of Sales	(10,280,660)	(12,560,505)	(12,449,447)	(10,784,412)
Gross Profit	3,554,499	3,458,211	2,836,640	1,791,793
Operating Expense	(4,671,015)	(4,507,057)	(4,450,485)	(4,346,994)
Operating Loss	\$ (1,116,516)	\$ (1,048,846)	\$ (1,613,845)	\$ (2,555,201)

The Company has informed the Proposal Trustee that its financial difficulties have resulted from several factors, including a general slowdown in the resource/mining sector, declining sales and gross margins, and the Company's inability to reduce its fixed overhead costs to adjust to its current financial circumstances.

Section D – Interim Receiver

Not applicable.

Section E – Identification and Evaluation of Assets

According to the Company's Statement of Affairs, the Company's assets consist of the following:

Asset Description	Estimated Realizable Value per SOA
Accounts Receivable	\$ 1,603,876
Inventory	743,427
Capital Assets	1,600,790
Total	\$ 3,948,093

The Company's assets are discussed in greater detail below:

Accounts Receivable

According to the Company, the accounts receivable balance set out in its Statement of Affairs (\$1,603,876) is net of an allowance for doubtful accounts.

In a liquidation scenario, it is the Proposal Trustee's view that in addition to normal credit risk, customers may claim offsets for product warranty, lack of continued supply, back charges, etc. against amounts owed to the Company. In addition, the Company has advised the Proposal Trustee that in excess of 30% of its accounts receivable are from customers situated outside of Canada. As a result, the Proposal Trustee estimates that in a liquidation scenario, the realizable value of the Company's accounts receivable ranges between \$960,000 – \$1,500,000.

Inventory

According to the Company's books and records, the net book value of inventory, as of October 25, 2014, was approximately \$1,800,000. According to the Company, Wabi's inventory consists of raw materials (\$569,000), work-in-process (\$312,000) and finished goods (\$919,000). The Company has advised the Proposal Trustee that the value of inventory reported on Wabi's Statement of Affairs (\$743,427) was the estimated liquidation value for the Company's inventory.

In the Proposal Trustee's view, there is a limited market for the Company's inventory, as a significant portion of the parts manufactured by Wabi are highly specialized and customer specific. As a result, due to a lack of warranty or return rights in a liquidation scenario, discounts may be required to sell the Company's finished goods inventory to existing customers and there may be limited recoveries from the Company's raw materials and work-in-process. Based on the above and taking into consideration the current market rate for steel and scrap metal, the Proposal Trustee estimates that in a liquidation scenario, the realizable value of the Company's inventory ranges between \$520,000 and \$740,000.

Capital Assets

According to the Company's books and records, the net book value of the Company's capital assets, as of October 25, 2014, was approximately \$2,800,000. The Company's capital assets consist largely of real property and buildings and machinery and equipment.

The Company has advised the Proposal Trustee that the values attributed to its capital assets on Wabi's Statement of Affairs are liquidation values based on recent appraisals.

In the Proposal Trustee's view (it has not obtained an independent appraisal of the Company's capital assets), taking into account the manufacturing activities undertaken at the Company's facility and the Proposal Trustee's understanding that the Company's foundry and fabrication equipment is dated and subject to notable wear, the Proposal Trustee estimates that, in a liquidation scenario, the realizable value of the Company's capital assets ranges between \$1,130,000 - \$1,600,000, net of any commissions and expenses that would be charged by an auctioneer and/or real estate agent.

Section F – Conduct of the Debtor

The Proposal Trustee has performed a preliminary review of certain of Wabi's financial records, including the Company's bank statements for the 12 month period prior to the NOI Filing Date in order to identify (i) any disbursements greater than \$25,000 that may be considered preferences pursuant to the BIA, and (ii) any transactions that may be considered transfers at undervalue pursuant to the BIA.

Based on its preliminary review, the Proposal Trustee has not identified any disbursements and/or transactions in the 12 month period prior to the NOI Filing Date that may be considered preferences or transfers at undervalue. The Proposal Trustee will provide an update, if necessary, on its review of Wabi's financial records at the Creditors' Meeting to consider the Company's Proposal.

Section G – Creditor Claims

According to the Company's Statement of Affairs, Wabi's creditors are summarized in the table below:

Creditor Classification	Estimated Claim Per SOA	
Secured	\$	5,222,627
Preferred		-
Unsecured		5,360,078
Contingent		-
Total Claims	\$	10,582,705

Secured Creditor/Term Lenders

Based on the Company's books and records, Wabi's Secured Creditors, which include the Term Lenders, and the amount of their respective claims, as of December 12, 2014 (excluding any accrued interest and other recovery costs), are as follows:

Secured Creditor	Amount of Claim	
Royal Bank of Canada ("RBC")	\$	1,562,922
South Temiskaming Community Futures Development Corporation ("STCFDC")		600,000
Northern Ontario Heritage Fund Corporation ("NOHFC")		3,059,705
Total Claims	\$	5,222,627

The Proposal is not being made to the Secured Creditor/Term Lenders. As noted in Section B of this report, the Claims of the Secured Creditor/Term Lenders are to be dealt with in accordance with existing agreements between the Company and the respective Secured Creditor/Term Lenders or as otherwise agreed between Wabi and the Secured Creditor/Term Lenders.

As at the date of this report, the Proposal Trustee has not been provided with copies of the security documents executed in favour of the secured creditors and, consequently, the Proposal Trustee has not obtained an independent legal opinion on the validity and enforceability of the security granted by the Company in favour of each of RBC, STCFDC and NOHFC. The Trustee will provide an update on its review of the security granted by the Company in favour of each of RBC, STCFDC and NOHFC at the Creditors' Meeting to consider the Company's Proposal.

The Proposal Trustee also notes that, based on its review of a printout summarizing registrations of security interests against the Company pursuant to the *Personal Property Security Act* (Ontario), in addition to the above secured creditors, the following parties have registered a security interest against Wabi: National Leasing Group Inc., Toyota Credit Canada Inc., IBM Canada Limited, Bank of Nova Scotia, Mercedes-Benz Financial Services Canada Corporation, De Lage Landen Financial Services Canada Inc., Ford Credit Canada Limited, Northern Ontario Grow Bonds Corporation, the Babcock & Wilcox Company, and Babcock & Wilcox Power Generation Group, Inc. (collectively, the "Other Security Registrations").

Wabi has informed the Proposal Trustee that, as at the NOI Filing Date, no amounts were owed by the Company in respect of the Other Security Registrations. The parties holding the Other Security Registrations will be provided with notice of the Creditors' Meeting.

Preferred Creditors

According to the Statement of Affairs, no amounts are due to Preferred Creditors. Based on the Proposal Trustee's review of certain of the Company's financial records, it appears that all amounts owed to Wabi's employees, in respect of outstanding wages and vacation pay, which may have existed as of the NOI Filing Date, have been paid or will be paid by the Company in the ordinary course. Any employee claims that might exist at the time of Court approval of the Proposal will be paid immediately following Court approval in accordance with the terms of the Proposal and the BIA.

Unsecured Creditors

According to the Company's Statement of Affairs, Wabi's Unsecured Creditors are owed \$5,360,078, excluding any amounts owed to the Company's former employees for termination and/or severance pay.

Contingent Creditors

The Company is not aware of any contingent creditors.

Section H – Previous Dealings with the Debtor

The undersigned Proposal Trustee confirms that neither he nor the firm with which he is related has provided previous services to the Company in any capacity other than consulting with the Company in respect of its consideration to file a Notice of Intention to Make a Proposal and the preparation and filing of the Proposal. The Proposal Trustee further confirms that he does not have any knowledge of any conflict of interest situation arising from the acceptance of this appointment as Proposal Trustee.

Section I – Informal Meetings with Major Creditors

The Proposal Trustee has not had any informal meetings with major creditors.

Section J – Remuneration of Proposal Trustee

Payment of the fees and expenses of the Proposal Trustee, including the legal fees and disbursements of the Proposal Trustee, are provided for in the Proposal.

As at the date of this report, the Company has provided Richter with a retainer in the amount of \$30,000 of which \$10,000 has been provided to Fasken Martineau DuMoulin LLP, independent counsel retained by the Proposal Trustee.

Section K – Cash Flow Statement

In accordance with the BIA, the Proposal Trustee reviewed the cash flow statement and assumptions for the period December 12, 2014 to March 20, 2015 that were prepared by the Company (the "Cash Flow Statement") and which were filed with the Official Receiver. In reviewing the Cash Flow Statement, nothing has come to the Proposal Trustee's attention which would lead the Proposal Trustee to believe that the hypothetical and probable assumptions used by the Company in the preparation of the Cash Flow Statement are inconsistent with the purpose of the Cash Flow Statement.

Section L – Critical Suppliers

The Company has informed the Proposal Trustee that certain Creditors that supply goods and services to Wabi, which goods and services cannot reasonably be sourced from parties that are not Creditors without material delay or cost, are critical to the Company's ongoing operations and restructuring efforts. As noted in Section B of this report, the Proposal is not being made to these essential suppliers (the "Unaffected Trade Creditors") and these suppliers are to be paid the pre-filing amounts owed to them by Wabi in accordance with existing agreements with the Company or as may otherwise be agreed.

The Company has further advised the Proposal Trustee that, in the Company's view, there is significant risk that the Creditors in questions will not continue to provide goods and services to Wabi if the pre-filing amounts owing are not paid. In accordance with the Proposal, the Company is required to inform the Proposal Trustee of those Creditors it considers essential to its ongoing operations and restructuring efforts and who are to be treated as Unaffected Trade Creditors prior to the issuance of this report.

The Proposal Trustee agrees with the Company's view that an interruption of services provided by certain essential suppliers could have a significant and immediate detrimental impact on the business, operations and cash flows of Wabi. The Proposal Trustee, however, also recognizes that the Company's cash flows are limited and has worked with the Company to ensure that those parties identified as Unaffected Trade Creditors are minimized. The Unaffected Trade Creditors and the amount of their respective claims against the Company, as per the Statement of Affairs, are summarized below:

Creditor	Estimated Claim Per SOA	
Astech Alloy Steel Technologies	\$	80,736
Barberton Steel Industries		54,451
Century Pacific Foundry		122,394
Temiskaming Industrial Mining Eq.		67,807
Wear-Tek		44,844
Total	\$	370,232

The Proposal Trustee notes that if the Proposal is not accepted by the Creditors or approved by the Court, the payments to the Unaffected Trade Creditors may be subject to review as a preference pursuant to Section 95 of the BIA.

Section M – Statement of Estimated Realizations

Proposal Accepted

According to the Proposal, if the Proposal is accepted by the requisite majority of Creditors, Unsecured Creditors with Proven Unsecured Claims in the aggregate of \$1,500 or less, and creditors having Proven Unsecured Claims in an aggregate amount in excess of \$1,500 and who provide to the Proposal Trustee an Election to Reduce Claim prior to the date which is two (2) Business Days following the making of the Approval Order reducing the aggregate amount of their Proven Unsecured Claims to \$1,500, will receive a cash dividend equal to the lesser amount of their Proven Unsecured Claims or \$1,500.

Creditors with Proven Unsecured Claims who are owed in excess of \$1,500 and who have not elected to receive a cash dividend of \$1,500 will receive a Payment Certificate which will afford those Creditors an opportunity to receive a dividend up to a maximum amount equal to 100% their Proven Unsecured Claims against the Company. As set out earlier in this report, payments against the Payment Certificates will be made by the Company based on the amount of the Company's Profits for the fiscal year ended 2015 to 2017. The Proposal Trustee points out that no payments will be made against the Payment Certificates if the Company does not have any Profits in the fiscal years ended 2015 to 2017.

Distributions to creditors in respect of their Proven Unsecured Claims will be subject to the Superintendent of Bankruptcy's levy that will not exceed 5% of the dividend paid.

Proposal Not Accepted

If the Proposal is not accepted, Wabi would become bankrupt on January 30, 2015 and the Company's assets would vest with the trustee in bankruptcy, subject to the rights of the Company's secured creditors. The Proposal Trustee is of the view that in the event of a bankruptcy of the Company, at least one of RBC, STCFDC or NOHFC would likely appoint a receiver to realize on the Company's assets. The estimated realizable value of the Company's assets in a liquidation scenario is outlined in Section E of this report.

In the event of the Company's bankruptcy, there is risk that realizations from the Company's assets will be reduced resulting in diminished realizations for Creditors. In a bankruptcy scenario, assuming the Company's assets and liabilities as at January 30, 2015 are substantially the same as the Company's assets and liabilities as detailed the Company's Statement of Affairs, the Proposal Trustee estimates that, based on the information set out in Section E of this report, the realizations that would be available for distribution to the Company's Unsecured Creditors would be \$Nil as follows:

Asset Description	Estimated Realizable Value		Notes
	Low	High	
Accounts Receivable	\$ 960,000	\$ 1,500,000	1
Inventory	520,000	740,000	2
Capital Assets	1,130,000	1,600,000	
Estimated Gross Realizations	2,610,000	3,840,000	
Less:			
Claims of Secured Creditors	(5,222,627)	(5,222,627)	3
Source Deductions	-	-	4
Estimated Fees of Receiver/Trustee in Bankruptcy	(200,000)	(100,000)	
Amount Available for Distribution	\$ Nil	\$ Nil	

Notes:

1. In a bankruptcy, estimated recoveries from accounts receivable may be negatively impacted by customer claims for offsets for potential product warranty claims, lack of continued supply, back charges, etc.
2. The products manufactured by Wabi are highly specialized and many are customer specific. As a result, significant discounts may be required to sell the Company's finished goods, which largely consist of metal castings and mining machinery products, and there may be limited recoveries from the Company's raw materials and work in process inventory.

3. This amount represents the amounts owing to the Company's secured creditors, as at December 12, 2014, excluding accrued interest and other recovery costs (see Section G of this report).
4. According to the Company, there are no amounts owing for source deductions.

Section M – Recommendations

If Wabi becomes bankrupt, the Unsecured Creditors of Wabi would only receive a dividend if the net realizations from Wabi's assets were sufficient to pay (i) Wabi's secured creditors (including their costs in realizing on the Company's assets), (ii) preferred creditors, and (iii) the fees and disbursements of the trustee and/or receiver. Based on the claims of secured creditors referred to in this report and estimated professional fees of approximately \$100,000 - \$200,000, the realizations from Wabi's assets would likely need to be at least \$5,500,000 in order for there to be any distribution to the Company's Unsecured Creditors in a bankruptcy scenario.

Based on the Company's assets as at December 12, 2014 set out on the Statement of Affairs and the information set out herein, the amount available for distribution to Wabi's Unsecured Creditors with Proven Unsecured Claims of up to \$1,500, or those Creditors who file an Election to Reduce Claim in accordance with the terms of the Proposal, would be higher if the Proposal is accepted by Wabi's Creditors and approved by the Court, and the required payments are made by the Company to the Proposal Trustee, than in a bankruptcy scenario. For those Creditors with Proven Unsecured Claims of greater than \$1,500 and who do not file an Election to Reduce Claim, acceptance of the Proposal affords those Creditors the opportunity to receive a dividend of up to 100% of their Proven Unsecured Claims depending on the profitability of Wabi over the next three (3) fiscal years.

Accordingly, the Trustee recommends that Wabi's Unsecured Creditors accept the Proposal in order to provide the Company's Unsecured Creditors with the opportunity to maximize their return from Wabi's indebtedness to them.

Section N – Meeting of Creditors

In completing the Proof of Claim form enclosed herewith, Creditors should only include all amounts outstanding as of December 12, 2014.

It is expressly noted and should be clearly understood that Richter, acting solely in its capacity as Proposal Trustee, assumes no responsibility for any claims against Wabi before, on, or after the NOI Filing Date.

Creditors may attend the meeting to consider the Proposal either in person or by proxy. The meeting to consider the Proposal will be held on January 30, 2015 at 11:00 a.m. at the Park Inn by Radisson, 175 Derry Road East, Mississauga, Ontario.

Please note that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed documents prior to the meeting.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters to the Proposal Trustee so as to be received prior to the meeting.

Should you have any questions in connection with the Proposal or this report, please contact Mr. Anthony Dalfio at (416) 642-4835 or via email at adalfio@richterconsulting.com.

Dated at Toronto, Ontario, this 20th day of January, 2015

Richter Advisory Group Inc.
In its capacity as Proposal Trustee re
the Proposal of Wabi Iron & Steel Corp.

A handwritten signature in blue ink, appearing to read 'AS', with a horizontal line extending to the right.

Adam Sherman, MBA, CIRP