

DISTRICT OF ONTARIO
Division No. 15-Haileybury
Court No. 31-1942523
Estate No. 31-1942523

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

MINUTES OF THE FIRST MEETING OF CREDITORS

Minutes of the First Meeting of Creditors (the "**Meeting**") of Wabi Iron & Steel Corp. ("**Wabi**" or the "**Company**"), held on January 30, 2015 at 11:00 a.m. at:

Park Inn by Radisson
175 Derry Road East
Mississauga ON
L5T 2Z7

ATTENDANCE

Adam Sherman, Richter Advisory Group Inc. (Proposal Trustee)
Anthony Dalfio, Richter Advisory Group Inc. (Proposal Trustee)
Larry Ellis, Cassels Brock & Blackwell LLP (Wabi's Counsel)
Monique Sassi, Cassels Brock & Blackwell LLP (Wabi's Counsel)
Jeremy Birnie, President of Wabi Iron & Steel Corp.
Conor O'Neill, Fasken Martineau DuMoulin LLP, (Proposal Trustee's Counsel)

Additional attendees (the "**Attendees**") are as listed on the sign-in sheet attached hereto as Appendix "A".

CALL TO ORDER

The Chairperson (as hereinafter defined) called the Meeting to order at 11:00 a.m.

Adam Sherman, Vice President of Richter Advisory Group Inc. ("**Richter**" or the "**Proposal Trustee**") informed the Attendees that he would be chairing the Meeting (the "**Chairperson**"), as a nominee of the Official Receiver, pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and that any question or dispute arising at the Meeting would be decided by the Chairperson, and that any creditor may appeal the decision of the Chairperson to the Court.

The Chairperson declared the Meeting properly called, and a quorum being present, duly constituted.

The Chairperson introduced Mr. A. Dalfio of Richter Advisory Group Inc., Mr. C. O'Neill of Fasken Martineau DuMoulin LLP, the Proposal Trustee's counsel, Mr. J. Birnie of Wabi and Mr. L. Ellis and Ms. M. Sassi of Cassels Brock & Blackwell LLP, counsel for the Company.

The Chairperson verbally reported on events to date, and tabled the following documents:

- Proposal;
- Report of the Proposal Trustee on the Financial Situation of the Debtor and the Proposal (the "Proposal Trustee's Report");
- Cash-flows;
- Company's Report on Cash-flows;
- Proposal Trustee's Report on Cash-flows;
- Statement of Affairs;
- Notices to Creditors;
- Affidavits of Mailing for the Notices to Creditors; and
- Claims register, including Election to Reduce Claim Forms, Proxies and Voting Letters.

The Chairperson advised the Attendees that the purpose of the Meeting was to:

- Provide additional information to Wabi's creditors in respect of the Company;
- Provide an opportunity for the Company's creditors to ask questions in connection with the Company and/or its Proposal;
- Consider and vote on Wabi's Proposal; and
- Appoint estate inspectors.

TRUSTEE'S REPORT TO CREDITORS ON THE PROPOSAL

All Attendees advised that they had received and reviewed the Proposal Trustee's Report. Additional copies of the Proposal Trustee's Report were made available at the Meeting.

The Chairperson provided a brief overview of the background of the Company and the causes for its financial difficulties, as detailed in the Proposal Trustee's Report.

The Chairperson reported on the Proposal Trustee's findings related to its review of the Company's financial records to identify any transactions that may be considered preferences and/or transfers at undervalue, as detailed in the Proposal Trustee's Report.

The Chairperson commented on the potential recoveries for Wabi's unsecured creditors should the Proposal be accepted or, in the alternative, the bankruptcy of the Company.

The Chairperson confirmed that, in the Proposal Trustee's view, the Proposal was advantageous since the Proposal provided the best opportunity for Wabi's unsecured creditors to maximize their recovery from the Company's assets and the Proposal contemplated a distribution to creditors that likely exceeded the dividend that would be available from a bankruptcy.

QUESTION PERIOD

The Chairperson invited questions from the floor.

There were no questions.

VOTING PROCESS AND CLAIMS

The Chairperson explained the voting procedure at the Meeting and explained that only those creditors that had filed a proof of claim with the Proposal Trustee prior to the Meeting and/or held a valid proxy (where applicable) were eligible to vote at the Meeting.

The Chairperson advised the Attendees of the following:

- 111 proofs of claim totaling \$5,322,425.74 had been filed with the Proposal Trustee prior to the Meeting;
- 54 creditors, with claims totaling \$848,247.44, were in attendance at the Meeting either in person or represented by proxy (including 53 proxies in favour of the Proposal Trustee in the aggregate amount of \$843,847.44);
- 92 creditors, with claims totaling \$2,072,402.27, voted in favour of the Proposal; and
- 5 creditors, with claims totaling \$262,231.35, voted against the Proposal.

VOTE ON WABI'S PROPOSAL

The Chairperson requested that votes be submitted from any person who had not yet filed a voting letter with the Proposal Trustee. Following a calculation of the votes, the Chairperson informed the Meeting of the results of the vote, which were as follows:

Vote Results	# of Creditors	% (#)	Value (\$) of Claims	% (\$)
In Favour	92	94.8%	2,072,402.27	88.8%
Against	5	5.2%	262,231.35	11.2%
Total	97	100.0%	2,334,633.62	100.0%

The Chairperson confirmed to the Meeting that Wabi's Proposal had been accepted its creditors.

A summary of the Voting Register is attached hereto as Appendix "B".

COURT APPROVAL OF THE PROPOSAL

The Chairperson advised the Attendees that, in accordance with the BIA, the Proposal Trustee would be making an application to the Court for Court approval of the Proposal within 5 days of the Proposal's acceptance.

APPOINTMENT OF INSPECTORS

The Chairperson advised the Meeting of the role of inspectors in the administration of Wabi's Proposal and inquired if there were any individuals willing to act in this capacity. The following individuals, although not present at the Meeting, had expressed their desire to act as inspectors in Wabi's Proposal:

- Sue Cote
- Frank DelMedico

The Chairperson asked if any other individuals, in addition to the people named above, wished to be an inspector. None of the other Attendees expressed an interest in acting as an inspector.

There being no objections to the above list of potential inspectors, the motion to appoint the above-named individuals as inspectors was carried unanimously.

ADJOURNMENT

There being no further business, it was unanimously resolved that the Meeting be adjourned. The Meeting was adjourned by the Chairperson at approximately 11:15 a.m.



Adam Sherman, Chairperson

Appendix “A”

Appendix “B”

Wabi Iron & Steel Corp.

Voting Register re Vote on Proposal (January 30, 2015)

Votes For		Votes Against	
Number	92	Number	5
Percentage in Number	94.8%	Percentage in Number	5.2%
Dollar Value	2,072,402.27	Dollar Value	262,231.35
Percentage in Dollar Value	88.8%	Percentage in Dollar Value	11.2%