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SOLICITORS AND NOTARIES  
BOARD OF TRADE BUILDING  
ST. JOHN'S  
NEWFOUNDLAND

September 4, 1959.

Honourable Leslie R. Curtis, Q.C.,  
Attorney General of Newfoundland,  
St. John's.

Dear Sir:

With reference to the Agreement between His Honour, the Honourable Campbell Macpherson, Officer of the Most Excellent Order of the British Empire, Lieutenant-Governor of Newfoundland in Council; and Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited made under and in pursuance of the Nalco-Javelin (Mineral Lands) Act, 1959 (No. 36 of 1959) we advise that in our opinion the Agreement has been properly executed by the Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited and, subject to proper execution by the other party, is enforceable against the Newfoundland and Labrador Corporation Limited and Canadian Javelin Limited in accordance with its terms.

Yours faithfully,  
CURTIS, DAWE & FAGAN

*R.S. Fagan*

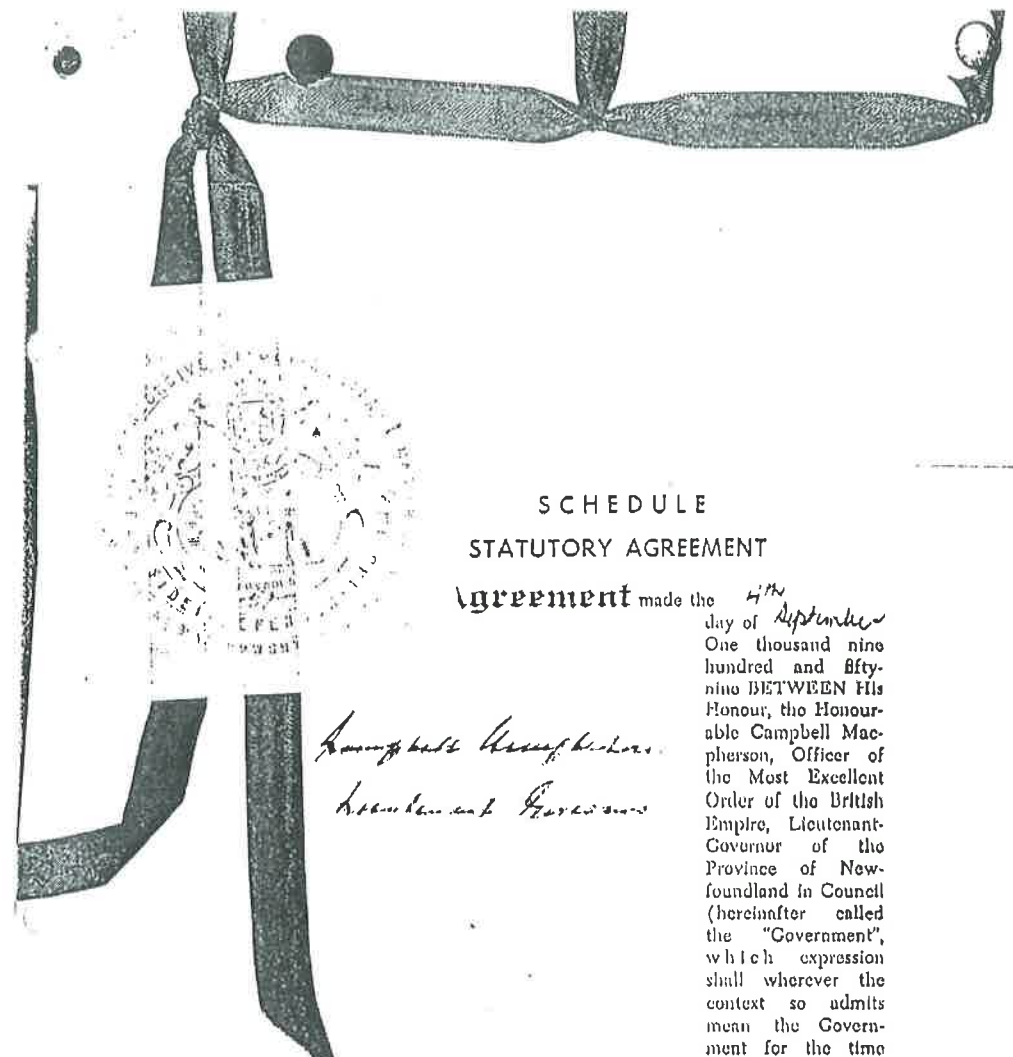
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SCHEDULE  
STATUTORY AGREEMENT

Agreement made the 4<sup>th</sup> day of September

One thousand nine hundred and fifty-nine BETWEEN His Honour, the Honourable Campbell Macpherson, Officer of the Most Excellent Order of the British Empire, Lieutenant-Governor of the Province of Newfoundland in Council (hereinafter called the "Government", which expression shall wherever the context so admits mean the Government for the time

*James H. Lambton*  
*Attorney General*

*James H. Lambton*  
*Attorney General*

being of the Province) of the first part, AND Newfoundland and Labrador Corporation Limited, a corporation constituted by Section 2 of The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 88 of 1951 as amended by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1952, the Act No. 3 of 1952, and The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1957, the Act No. 83 of 1957, (hereinafter called "Nalco", which expression shall where the context so admits include the successors and assigns of Nalco) of the second part, AND Canadian Javelin Limited a body corporate and politic duly incorporated under the laws of Canada and having its head office in the City of St. John's in the Province of Newfoundland (hereinafter called "Javelin", which expression shall where the context so admits include the successors and assigns of Javelin) of the third part AND Wabush Iron Co Limited a body corporate and politic duly incorporated under the laws of the State of Ohio, one of the United States of America, and having its head office in the City of Cleveland in the said State of Ohio (hereinafter called "Wabush Iron", which expression shall where the context so admits and subject to the Wabush Iron Lease include the successors, assigns, sublessees, licensees and agents of Wabush Iron) of the fourth part,

WHEREAS under The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 88 of 1951, as amended, Nalco was granted inter alia mineral concessions in a certain area in Labrador referred to as Lot No. 3 and more specifically described in the Schedule to that Act AND WHEREAS under an Agreement dated the 11th day of March A.D. 1954 registered in the Registry of Deeds for Newfoundland in Volume 349 at Folios 295 to 311 (both inclusive) and made between Nalco and Canadian Javelin Foundries & Machine Works Limited a company organized under the laws of Canada and having its head office at Dominion Square Building at Montreal in the Province of Quebec, Nalco granted to Canadian Javelin Foundries & Machine Works Limited exploration rights and the right to obtain mining leases in all of that area described in the First Schedule to the said Agreement and forming part of that area referred to as Lot No. 3 and more specifically described in the Schedule to the said The Newfoundland and Labrador Corporation Limited Act, 1951, as amended AND WHEREAS by supplementary letters patent dated the fifth day of April A.D., 1954, and issued by the Secretary of State of Canada the name of Canadian Javelin Foundries & Machine Works Limited was altered to Canadian Javelin Limited AND WHEREAS the said Agreement dated the 11th day of March A.D., 1954, and made between Nalco and Canadian Javelin Foundries & Machine Works Limited was amended by an Agreement made the 6th day of September A.D., 1955, between Nalco and Javelin and registered at the Registry of Deeds for Newfoundland in Volume 349 at Folios 312 to 315 (both inclusive) and by a further Agreement made the 29th day of April, 1957, between Nalco and Javelin and registered at the Registry of Deeds for Newfoundland in Volume 350 at Folios 237 to 240 (both inclusive) and by a further Agreement made the 28th day of June, 1957, between Nalco and Javelin and registered at the Registry of Deeds for Newfoundland in Volume 389 at Folios 276 to 287 (both inclusive) (the said Agreement as so amended being hereinafter called the "Javelin (North) Concession Agreement") AND WHEREAS to provide for the exploration and possible development of iron ore in an area other than those covered by The Nalco-Javelin (Mineral Lands) Act, 1957, Javelin and Wabush Iron have executed an option agreement dated June 28, 1957, and registered in the Registry of Deeds for Newfoundland in Volume 389 at Folios 435 to 464 (both inclusive) AND WHEREAS to permit the effective operation of such option agreement in certain respects as hereinafter set forth it is necessary that the parties to this Agreement should enter into the covenants hereinafter expressed and that this Agreement should come into force AND WHEREAS the Government has deemed it desirable to enter into this Agreement NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, unless the context otherwise requires, the expressions mentioned in this clause shall have the following meanings:

- (a) "Javelin Mining Lease" means a lease by which the area described and shown in Schedule A to the Option Agreement shall have been sub-demised by Nalco to Javelin;

- (b) "Nalco Act" means The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 88 of 1951, as amended by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1952, the Act No. 3 of 1952, The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1953, the Act No. 64 of 1953, and The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1957, the Act No. 83 of 1957, and includes any amendment to the principal Act as so amended and any Act hereafter substituted for such principal Act as so amended;
- (c) "Nalco Mining Lease" means a lease by which the area described and shown in Schedule A to the Option Agreement shall have been demised by the Government to Nalco;
- (d) "Option Agreement" means an Agreement executed by and between Wabush Iron and Javelin on June 28, 1957, and registered in the Registry of Deeds for Newfoundland in Volume 389 at Folios 435 to 464 (both inclusive) and which has become fully effective according to law and includes any amendment thereto lawfully made and any agreement hereafter lawfully substituted therefor; and
- (e) "Wabush Iron Lease" means an Indenture of Lease executed in the form shown in Schedule B to the Option Agreement by and between Javelin as Lessor and Wabush Iron as Lessee which shall have become fully effective according to law and includes any amendment to such Indenture of Lease hereafter lawfully made and any indenture or agreement hereafter lawfully substituted for such Indenture of Lease.

2.—(1) In the event of a default by Nalco under the Nalco Act or under the Nalco Mining Lease the Government will serve upon Wabush Iron a copy of any notice of default that it shall serve on Nalco.

(2) In the event of a default by Javelin under the Javelin (North) Concession Agreement, Nalco will serve upon Wabush Iron a copy of any notice of default that it shall serve upon Javelin.

(3) In the event of a default by Javelin under the Javelin Mining Lease, Nalco will serve upon Wabush Iron a copy of any notice of default that it shall serve upon Javelin.

(4) If Nalco should make a default under the Nalco Act or under the Nalco Mining Lease or if Javelin should make a default under the Javelin (North) Concession Agreement or under the Javelin Mining Lease, then, subject to subclauses (5) and (6) of this clause, Wabush Iron shall have and may exercise the same rights that the defaulting company would have to remedy the default within the time provided therefor.

(5) If Wabush Iron should remedy any default of Nalco or of Javelin under and in accordance with subclause (4) of this clause,

the costs and expenses incurred by Wabush Iron in remedying the default shall be treated by it as a charge against Javelin which shall be repaid only by crediting the charge against any amounts thereafter becoming due from Wabush Iron to Javelin under any lease or other agreement existing from time to time between it and Javelin.

(6) If any of the costs and expenses charged against Javelin under subclause (5) of this clause should have been incurred by Wabush Iron in remedying a default of Nalco, the amount of such costs and expenses shall be treated by Javelin as a charge against Nalco which shall be repaid only by crediting the charge against any amounts thereafter becoming due from Javelin to Nalco under any lease or other agreement existing from time to time between Javelin and Nalco.

3.—(1) If at any time before the expiration of the exploration term defined in Clause 1 of the Option Agreement while Wabush Iron is not in default under the Option Agreement,

- (a) should the rights of Javelin under the Javelin (North) Concession Agreement in that area more specifically referred to in clause 1 of the Option Agreement be determined and should the similar rights of Nalco under the Nalco Act remain undetermined then Nalco will at the request of Wabush Iron grant to Wabush Iron any mining lease and any surface rights which Wabush Iron would be entitled and able to obtain from Javelin under the Option Agreement if the Javelin (North) Concession Agreement had not been determined; or
- (b) should the rights of Nalco under the Nalco Act in that area more specifically referred to in clause 1 of the Option Agreement be determined, then the Government will at the request of Wabush Iron grant to Wabush Iron any mining lease and any surface rights which Wabush Iron would be entitled and able to obtain from Javelin under the Option Agreement if the Javelin (North) Concession Agreement were still in force; and
- (c) if a demise or grant is required to be made by the Government or by Nalco under paragraph (a) or (b) of this subclause, such demise or grant shall subject to this clause be made in accordance with all of the terms and conditions and all other provisions of the Option Agreement.

(2) In subclause (3) of this clause

- (a) "right of Javelin" means the lease or other agreement vesting in Javelin the right to make the Wabush Iron Lease; and
- (b) "right of Nalco" means the lease or other agreement vesting in Nalco the right to demise to Javelin the premises demised by the Wabush Iron Lease.

(3) Should the Wabush Iron Lease be determined while Wabush Iron is not in default thereunder, then

(a) if the determination of the Wabush Iron Lease shall have occurred because of the determination of the right of Javelin under which the Wabush Iron Lease was issued and should the right of Nalco remain undetermined, Nalco will at the request of Wabush Iron and subject to this clause issue to Wabush Iron a lease for a term commencing on the date of the determination of the right of Javelin and ending on the expiration of the term provided in the Wabush Iron Lease, containing the same terms and conditions and all other provisions of the Wabush Iron Lease and extending to Wabush Iron all rights and credits to which Wabush Iron would have been entitled if the Wabush Iron Lease had not been determined; or

(b) If the determination of the Wabush Iron Lease shall have occurred because of the determination of the right of Nalco under which the right of Javelin was acquired, the Government will at the request of Wabush Iron and subject to this clause issue to Wabush Iron a lease for a term commencing on the date of the determination of the right of Nalco and ending on the expiration of the term provided in the Wabush Iron Lease, containing the same terms and conditions and all other provisions of the Wabush Iron Lease and extending to Wabush Iron all rights and credits to which Wabush Iron would have been entitled if the right of Nalco had not been determined.

(4) Whenever the Government or Nalco is required to issue a lease or to make a grant to Wabush Iron under subclause (1) or (3) of this clause, suitable provisions shall be inserted in any such lease or grant,

(a) substituting the Government or Nalco, as the case may be, for Javelin as the lessor or grantor; and

(b) providing that all of the lessor's or grantor's benefit under any such lease or grant shall accrue to the Government or to Nalco, as the case may be, instead of to Javelin, and the appropriate lease or grant that has been or should have been issued or made by Javelin shall be altered accordingly in form and in substance.

(5) In subclause (6) of this clause "statutory document" includes the Option Agreement and any Wabush Iron Lease.

(6) This clause shall be construed to the end that if any statutory document is determined because of a default by Javelin or Nalco and if Wabush Iron is not at the time of such determination in default under such statutory document, then subject to the provisions of this clause there shall be conferred and imposed on Wabush Iron by Nalco or by the Government, whichever shall have the legal authority so to do, the same rights and obligations



as were conferred and imposed on Wabush Iron under the statutory document immediately before its determination.

(7) Should any of the rights of Nalco or of Javelin referred to in subclause (1) or (3) of this clause be determined in the circumstances referred to in such subclause, the Government will serve notice on Wabush Iron of the determination of the rights of Nalco and upon the request of Wabush Iron served upon the Government not later than ninety (90) days after receipt of such notice of determination, the Government will issue to Wabush Iron the lease or the grant required by subclause (1) or (3) of this clause to be issued or granted.

4. Nalco approves the transfer of rights from Javelin to Wabush Iron under and in accordance with the Option Agreement and the Wabush Iron Lease and agrees that it will not include within any area which it shall surrender to the Government under the Nalco Act any area from which Wabush Iron shall have acquired a right to select mining premises to be leased to Wabush Iron under the Option Agreement.

5.—(1) For the purposes of this clause

(a) "gross ton" means two thousand two hundred and forty (2240) pounds avoirdupois;

(b) "iron ore products" includes iron ore, crude iron-bearing material and any material or composition produced from iron ore or crude iron-bearing material;

(c) iron ore products shall, subject to paragraph (e) of this subclause, be deemed to have been shipped when delivered to a carrier at the demised premises or from stockpile grounds or from the treating plant or plants, as the case may be, for shipment to the purchaser or consumer thereof;

(d) the amount of iron ore products shipped shall, subject to paragraph (e) of this subclause, be determined by railroad weights in gross tons calculated and certified by the carrier transporting the same which shall be accepted as prima facie correct, or by weightometers or by such other weights as may be generally in use for such purposes, subject in any case to the right of inspection by the Government and by Wabush Iron, and any errors discovered shall be corrected and settled for promptly; and

(e) when iron ore products shall be sold by Wabush Iron and placed in stockpile or held elsewhere at the request of the purchaser and the property therein shall pass to the purchaser before the iron ore products shall have been delivered to a carrier at the demised premises or from stockpile grounds or from the treating plant or plants, as the case may be, for shipment to the purchaser or consumer thereof, such iron ore products shall be deemed to be shipped on the date that the property therein shall have so passed, and in any such



case the weight of the iron ore products shall be estimated on the basis of weightometer weights taken by the seller at the time of stockpiling or in such other manner as shall be agreed upon between the Government and the seller, and the weights so estimated shall be subject to final correction and adjustment under and in accordance with paragraph (d) of this subclause.

(2) Wabush Iron shall pay to the Government a sum to be calculated at the rate of twenty-two cents (22c.) for every gross ton of iron ore products mined and shipped by Wabush Iron from the premises that shall have been demised by the Wabush Iron Lease or any lease issued to Wabush Iron under subclause (1) or (3) of clause 3 of this Agreement or any part of such premises.

(3) The payments to be made to the Government by Wabush Iron under subclause (2) of this clause shall be made on or before the 25th day of January, April, July, and October in each and every year or, if any such day falls on Sunday or a holiday, then on the next ensuing day, in respect of all iron ore products shipped during the calendar quarter immediately preceding the first day of the month on which payment is to be made as aforesaid.

(4) The payments to be made by Wabush Iron under subclause (2) of this clause shall be made in lieu of any and all taxes that would otherwise be payable by it during the currency of this Agreement and of the mining leases referred to in subclause (2) of this clause under The Mining Tax Act, chapter 43 of The Revised Statutes of Newfoundland, 1952, as amended from time to time or under any Act standing in the place of The Mining Tax Act as so amended and any taxes for which the taxes now imposed by The Mining Tax Act are declared by that Act to be substituted and any taxes imposed either generally or specifically upon mines or minerals or specifically upon persons carrying on the business of mining, in respect of operations under the said leases or in respect of iron ore mines or iron ore products made, produced, won, gotten, raised or removed by the lessees and sublessees under the provisions of the said leases.

(5) Subject to subclauses (4), (6) and (7) of this clause, Wabush Iron shall be subject to taxes of general application levied by or under the authority of the Province of Newfoundland or any municipality or other governmental subdivision, but shall not be subject to any tax of special application or any discriminatory tax.

(6) Wabush Iron shall be exempt from the provisions of The Social Security Assessment Act, chapter 41 of The Revised Statutes of Newfoundland, 1952, as amended from time to time, or any Act standing in place of The Social Security Assessment Act as so amended and any similar taxes heretofore assessed or hereafter imposed either generally or specifically upon the purchase, consumption or use of machinery, equipment, structures, plant, materials, goods, articles and things used in the original installation or expansion, in all or any part of the areas described

in Schedule A to the Option Agreement, of works, buildings and facilities required for

- (a) mines, mine works and buildings, mineral exploration and prospecting and mining operations;
- (b) the treatment or processing of ores and metals;
- (c) house building and town construction;
- (d) steam, hydro-electrical or other plant for developing power;
- (e) installation of water, sewerage and lighting systems; and
- (f) the construction and equipping of transportation, shipping and storage facilities;

Provided that such exemption shall not apply in respect of

- (g) any capital replacements made otherwise than in connection with expansion of any of such works, buildings and facilities;
- (h) spare parts, articles and materials required for renewals, replacements, and repairs; and
- (i) any taxes imposed by or under The Gasoline Tax Act, chapter 38 of The Revised Statutes of Newfoundland, 1952, as amended.

(7) Wherever Wabush Iron is subject to taxation by any municipality or other local taxing authority within the Province, the taxes levied by such municipality or other taxing authority against Wabush Iron for any year, together with the taxes levied by such municipality or other taxing authority against all other industrial establishments and activities for such year shall not exceed in the aggregate forty per centum (40%) of the total taxes levied by such municipality or other taxing authority for such year.

6. This Agreement shall be construed and interpreted in accordance with the laws of Newfoundland, and all matters arising out of this Agreement shall be determined by a court of competent jurisdiction in Newfoundland.

7. The parties to this Agreement have each covenanted severally but not jointly nor jointly and severally and each party shall be liable only for the covenants, agreements, declarations and provisions contained herein and on its part covenanted to be performed, fulfilled or observed.

8.—(1) Subject to this clause, any notice required to be given under this Agreement shall be deemed to be sufficiently served by sending it by registered mail in the ordinary course addressed when service is to be made

- (a) on the Government, to the Honourable the Minister of Mines and Resources, c/o The Department of Mines and Resources of the Province of Newfoundland at St. John's, Newfoundland;
  - (b) on Javelin, to Canadian Javelin Limited, Board of Trade Building, St. John's, Newfoundland, Canada;
  - (c) on Naleo, to Newfoundland and Labrador Corporation Limited at its Head Office in Newfoundland; or
  - (d) on Wabush Iron, to Wabush Iron Co. Limited at 2000 Union Commerce Building, Cleveland 14, Ohio, U.S.A.
- (2) Any notice required to be given under this Agreement may be mailed
- (a) from within Canada through a Canadian Post Office; and
  - (b) from within the United States through a United States Post Office or any facilities for sending registered mail provided by that Post Office.
- (3) Any party to this Agreement may change the address to which notices shall be sent to it, by giving to all of the other parties notice of such change, and thereafter notices shall be served on such party at the new address.

IN WITNESS WHEREOF His Honour the Lieutenant-Governor in Council has caused the Great Seal of the Province of Newfoundland to be affixed hereto and has signed this Agreement and Newfoundland and Labrador Corporation Limited, Canadian Javelin Limited, and Wabush Iron Co. Limited have each caused this Agreement to be duly executed on the day and year first before written.

BY HIS HONOUR'S COMMAND

*J. G. Ornaming*  
Deputy Minister of Provincial Affairs

The Common Seal of Newfoundland and Labrador Corporation Limited was herunto affixed in the presence of:

*W. J. Kelly*  
President  
*Raf M. T.*  
Assistant Secretary

CANADIAN JAVELIN LIMITED

By *John C. Doyle*  
President

And *W. J. Kelly*  
Secretary

WABUSH IRON CO. LIMITED

By *Raf M. T.*  
Vice President

Attest *Raf M. T.*  
Assistant Secretary

