

Report of Assessment for the vacant land located at

**Pointe-Noire Road
Sept-Îles, Québec**

Lot 3,931,541 of the Cadastre of Quebec

Prepared for
Port of Sept-Îles
1, Quai Mgr-Blanche
Sept-Îles, Québec, G4R 5P3

Dossier numéro : 21245

Report of Appraisal prepared by: Les Évaluations Manicouagan Inc.

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SECTION I

GENERAL REMARKS

1.1 IMPORTANT FACTS and CONCLUSION

Date of report :	January 11, 2012
Purposes of Report:	Estimating the value of a large vacant land, not improved and for purposes of acquisition.
Property Address:	Pointe-Noire Road Sept-Îles, Québec
Owner:	Wabush Resources Inc.
Legal Description:	Lot 3,931,541 of the Cadastre of Quebec.
Property Type:	Vacant industrial land located outside the urbanized area of the City of Sept-Îles. It is along side and on the Southwest side of the Pointe-Noire Road; it's the access road to Relance Wharf, to Alouette Aluminerie's facilities and to Cliffs Mining Co.
Lot Size:	334.0926 hectares
Chosen Market Value for the land to be acquired:	<u>\$1,944,000.00 \$ (5,650.00/ hectare)</u>

1.2 PURPOSE FOR THE ASSESSMENT

The purpose of this report is to estimate the value of a large vacant land for acquisition. This land is located along side the Pointe-Noire Road which gives access to the Relance Wharf and to the Alouette Aluminerie facilities, the Cliffs mining and others.

1.3 EFFECTIVE DATE OF ASSESSMENT

January 11, 2012.

1.4 DEFINITION OF MARKET VALUE

This is the price most likely sincere, sales or suspected of a building on a particular date, on a free and open market competition and satisfying the following conditions:

- ◇ The parties are well informed or well advised of the condition of the building, market conditions and reasonably well advised to the most likely use of the building;
- ◇ The building was put for sale for a sufficient period of time, given its nature, the importance of price and economic conditions;
- ◇ The payment is expressed in cash (Canadian dollars) or equivalent to cash;
- ◇ The selling price must disregard any extraneous to the building itself and must represent the true account of the impact of refined incentives, financing conditions and benefits.

1.5 PRINCIPLES OF ASSESSMENT

The value of an asset depends on the ambient and forces at different levels.

Thus, one can establish, through socio-economic principles, ground rules that underpin the concept of evaluation.

These principles are listed as follows:

- ◇ The principle of supply and demand ;
- ◇ The principle of anticipation ;
- ◇ The principle of evolution ;
- ◇ The principle of progression and regression ;
- ◇ The principle of compliance ;
- ◇ The principle of equilibrium ;
- ◇ The principle of surplus productivity ;
- ◇ The principle of increasing and decreasing returns ;
- ◇ The principle of contribution ;
- ◇ The principle of competition ;
- ◇ The principle of single-use ;
- ◇ The principle of substitution ;
- ◇ The principle of optimal use.

In the following chapters of this report, we will see the implementation of some of these principles to be defined in due course.

1.6 RESERVES AND BASIC ASSUMPTIONS

- ◇ At the request of Mr. Pierre Gagnon, President and CEO of the Port of Sept-Îles, we prepared this assessment report which should be used only for the specific purpose stated in the report. The use of this report for other purposes may invalidate the findings and constitutes a prohibited use. Partial reproduction of this report is prohibited and its use by anyone other than the client and the Department of Natural Resources and Wildlife is possible only with my permission and the client..

- ◇ This assessment report is valid only if it bears my original signature.

- ◇ If the search value was divided between an indication of value for the land, for buildings and improvements on the ground, the distribution of value among its composite elements is valid in the light of the purpose and end of the evaluation sought and can not be used for a purpose and a different end.

- ◇ The valuation date appearing in this report is the date that I analyzed the market conditions. As these can change quickly over time because of the presence of different factors, the value expressed in this report cannot be used to estimate the value at another date but only at the valuation date, unless this is an update involving no change in value.

- ◇ This report can not constitute a legal guarantee. Therefore, in this report, the following assumptions have not been audited but are presumed correct, namely:
 - a) the legal description obtained from the Certificate of location is accurate;

 - b) the title is valid and has a market value in Canadian dollars;

 - c) that the current use of the building is assessed in accordance with law and may be continued by any prospective purchaser, unless stated to the contrary;

- d) There are no other charges, encroachments, restrictions, leases, contracts than those mentioned in this report.
- ◇ No topographic survey of the building has been made and this report can not constitute a guarantee in surveying. Also, sketches, drawings, diagrams, photographs, etc.. appearing in this report are just for illustrative purposes only and are not necessarily a perfect reflection of reality.
 - ◇ I assessed the building referred to in this report assuming that the current use made of it complies with government regulations in health, safety, zoning, construction and so on. Since the value of the property assessed may be reduced if not used in accordance with government regulations, it may be necessary to carry out further checks to ensure compliance.
 - ◇ As for market data, I have learned, in part, on documents originating from the real estate transactions obtained at the office of the District Registrar, which I generally find reliable. If necessary, with reasonable verification efforts, I brought a further investigation.
 - ◇ The remuneration for the preparation of this report excludes expenses and compensation related to the preparation of testimony and the testimony itself in court, the latter being negotiated extra. The above reservation, however, cannot impede the authority of the courts to allow the use of this report for purposes of administration of justice.

1.7 STATUS AND TRENDS OF THE LOCAL MARKET

The city of Sept-Îles, industrial city located about 225 km east of the town of Baie-Comeau and nearly 650 km east of Quebec City, is undergoing a period of economic prosperity.

The Alouette Aluminerie carried out a major expansion in the early two thousand years which has created hundreds of well paid permanent jobs. Moreover, a third phase of construction is currently scheduled for the period 2015 to 2019. The market for iron and steel is very good so that mining companies Cliffs, Iron Ore of Canada and the mining company Arcelor Mittal in Port-Cartier produce at full capacity and are planning major investments.

Hydro-Quebec is currently investing more than \$ 10 billion for the construction of four hydroelectric dams on the Romaine River located in Havre-Saint-Pierre. This is located some 200 km east of Sept-Iles and very important economic benefits influence Sept-Îles.

The economy in general and the housing market in particular are constantly improving for the last two years and unless deterioration in the global economy occurs, the city should continue to thrive.

1.8 SITE AND NEIGHBORHOOD

In this case, we have to estimate the market value of vacant land for industrial use located in the Pointe-Noire sector in the territory of the city of Sept-Îles. Said area is located outside and west of the urbanized area of the city of Sept-Îles.

The national road 138 which connects all the municipalities along the north shore of the St. Lawrence River, passes through the town of Sept-Îles and this, from west to east. The Pointe-Noire sector is accessible from Road 138 and this, by taking the Pointe-Noire Road. The latter is approximately tens kilometers long and provides access to an important industrial area developed near the Relance Wharf. It includes the facilities of the Alouette Aluminerie and Cliffs Mining Company.

The Northeast end of the subject land is located at the corner of Pointe-Noire road and Alban-Blanchard Street. The latter connects Pointe-Noire road to the cottages area of the Val-Marguerite sector. The subject land borders the Blanchard-Alban street for 142.56 meters.

The remaining northern boundary of the land does not face a street, but at its western end it is bounded to the cottages area of the Campers Street.

The northwest section of the subject land passes along side the St. Lawrence River in Ste-Marguerite Bay and is along the beach until the Petit Havre near the Grand Coulée inlet. From there, the subject lot doesn't pass along the St. Lawrence River anymore and has a much more rugged topography with a rock soil up to its southern end.

The whole front of the subject lot follows the Pointe-Noire road and has a sinuous lay out.

The northern section of the subject lot seems flat and is covered with woodland up to the marshy area that crosses the Pointe-Noire road close to the vicinity of the site called the Petit Havre. This swampy area is flat but below the street level.

South of the swamp, the ground is rocky and the unevenness of the terrain is much more important and emphasizing to the south.

The topography of the subject land is easily visible from aerial photos and maps in Annex "A" and Annex "B".

The subject land is very irregular in shape, but is easily accessible by vehicles from the Pointe-Noire road and by sea from the Ste-Marguerite Bay at its north-west. On the other hand, we have no data on water depth. There is no port infrastructure on this side.

The flat part of the subject land is about plus or minus 50% of the total area and is easily visible and accessible. The area of the swamp represents roughly 10% of land area, in its central section which is also the shallowest.

The uneven section of the subject land is more or less 40% of the area, but the rocky mountain at the southern end is at the most 20% of the entire subject land.

There is a line of power transmission along the Pointe-Noire road and it's located on the east side of the southern section of the subject land. This power line makes part of the subject land less attractive since it limits its use.

1.9 ZONING

According to the zoning regulations currently in force in the territory of the city of Sept-Îles, the subject land is located in the 1i zone. The plan and the uses permitted in this zone are shown in Annex "C" of this report.

The permitted uses are:

⇒ Ie : Public Interest;

⇒ Ic: Wholesale trade and industry with a high incidence.

Note: There are two purposes specifically excluded, naming wholesale trade of scrap and recycled materials as well as paint and bodywork shops.

1.10 SERVICES

The city of Sept-Îles offers all the usual services of a city of this size such as snow removal, garbage collection, police and fire protection, cultural activities, sports and others. The municipal sewer service is not available on the subject land.

The subject land follows the Pointe-Noire road and it is possible that a connection to drinking water service of the city of Sept-Îles can take place.

1.11 MUNICIPAL REAL PROPERTY ASSESSMENT

The subject land is part of an evaluation unit comprising several properties owned by Cliffs Mining Company, including its industrial site, which makes it impossible to have the municipal assessment of the subject only.

1.12 PROPERTY TAXES

Property taxes result from the municipal assessment and as the latter can not be determined precisely, it is impossible to know the taxes attributable to the subject land.

1.13 LEGAL DESCRIPTION OF LAND

The subject land is known as lot 3 931 541 of the Cadastre of Quebec.

Frontage on Pointe-Noire road:	±5266,5 meters
Depth:	Irregular
Lot Size:	3,340,926 m ² or 334.0926 hectares

1.14 OPTIMAL AND MOST PROFITABLE USE OF THE LAND

The appraiser must assess the subject land as it was vague and reasonably ready to be converted to his own optimal and most profitable use

The best use of land must meet the following conditions:

- | Can be possible physically;
- | Be permitted by the regulations and the law;
- | Be financially feasible;
- | Be able to achieve in the short term;
- | Be related to the probability of occurrence rather than mere possibilities;
- | There must be a demand for the property to its best use
- | The best use should be as profitable.

Considering the subject land area and regulations limiting its use, and considering the site and the neighborhood, the current use, industrial high-incidence, should be regarded as the best and most profitable use.

1.15 ASSESSMENT PROCESS

Of the four methods to estimate the market value of a vacant land, the comparison approach, based on direct evidence of the market, is one that provides the best indication of the value sought.

This approach called for comparison is mainly based on the principles of supply and demand, use and substitution. The first aspect involving the market in terms of quantity of supply and demand, the second, the potential usefulness and the probable of the subject, and the third, the aspect of competition and competitiveness.

In short, this approach is chosen for this assessment. Its application requires the search for transactions of comparable properties to the subject land, and following analysis,

derives the market value per unit applicable to the subject under study. To do this, a unit of comparison is used, the price per hectare.

To allow the application of the method of comparison, we conducted research to identify transactions involving vacant lands that could allow a valid comparison with the subject land. The latter is large, unimproved with a variable quality soil and a topography varying from flat to hilly depending of the area. The subject land is very irregular in shape.

The last major industrial investment made in Sept-Îles was the expansion of the Alouette Aluminerie, which took place in the early 2000s. This investment was made without land acquisition because, in 1989, a vast land had been acquired for the construction of the first phase of the Aluminerie. This sale is shown in Sales Table under number #36. When acquired, the land was in the rough or unimproved.

The sale between the Government of Quebec and the company "Aluminerie Alouette Inc." of the 47.3 hectares was traded for a total of over \$212,850.00 plus \$ 535.00 as administration fee for a total of \$213,385.00 or the equivalent of \$4,500.00 / hectare or \$ 0.45 / square meter.

The terrain was rugged and large sums of money have been invested in blasting, grading, and others. This transaction was likely in a market other than normal because the negotiations were made outside the region and external elements to the value of the land itself may have been taken into account when the price of the sale was set. Moreover, the day of the transaction, Alouette Aluminerie resold the land traded on sale #34 to Canada Port for \$ 1.00 and Canada Port resold the block 59 and other lots to a company owned by Alouette Aluminerie, 2645-6608 Québec inc. for \$59,085.00. Following these three transactions, some others were made between different affiliates so it is impossible to know the price actually paid by Alouette Aluminerie inc. for all of his land. This sale was included in this report so that it is known, but is not an indication of the market value of unimproved lands under consideration at the time of this assessment.

The sale #37 involved an industrial land as the subject land and is located along the Pointe-Noire road near the Alban-Blanchard street. The sale was made in 1992 for a unit price of \$4, 900.00 per hectare. This land is at street level and could be easily developed.

The sale #38 involved a land located along the Pointe-Noire road near the Alban-Blanchard Street. It was acquired in 1993 as shown on the sale registered under number 74114, for \$ 7,534.08 per hectare. This land was also ready to be developed even if needed a few improvements. It is located near the north end of the subject land.

Sales #33 and #34 should be grouped together as the lands were acquired for the same purpose and have been combined for use as the site for aerated lagoons. The average selling price is \$6,051.34 per hectare. Traded lands are connected to Route 138 (boulevard Laure East) by a path which was acquired in the same transaction.

The current situation is that there are very few markets in Sept-Iles, which can guide us in estimating the market value of the subject land. We are therefore of opinion that it is justified to search the entire territory of the moyenne-Côte-Nord to get a better idea of market trends for the subject land. We traced transactions in Sept-Iles, Port-Cartier, Baie-Comeau, Ragueneau and even Forestville.

In total we traced 38 transactions. Sales #1 and #2 are very recent and involved lands of the last two residential developments carried out at Port-Cartier. The city sold the 2 lots as bulk sale of land, meaning unimproved. On the other hand, the land was subdivided and the city subsidized the purchaser for the construction of streets.

The selling prices per hectare in these two transactions are almost similar but the land from sale #2 was better located along the St. Lawrence River.

The sale #3 is very recent and involved the same property that was acquired during the sale #15 in 2006. The price paid rose from \$34,250.00 in 2006 to \$200,000 in 2011. The land is zoned Forestry but a part has already been subdivided. This is a sandy land that had little appeal, as located to the east of the Sept-Îles airport in the Moisie sector. It is

likely that the buyer wants to make a residential development with the land. On the other hand, in the 2006 sale, the seller has accepted a liquidation price because he had no project.

The sale #4 involved a very rugged rocky land. It is located in the urbanized area of the city of Baie-Comeau. The front section zoning commercial runs alongside the boulevard Comeau, while the rear section is for industrial use. This land is above the street level and must be blasted before being developed. Utilities water and sewer are located in front of the land.

The sale #5 involved a large residential land located in Forestville. It is located in the urban area but not subdivided and will have to be subdivided and streets will have to be built. It is a sandy land and will be easy to develop. On the other hand, there is little demand for new construction in Forestville, which makes any development project risky.

The sale #6 involved a large area along the St. Lawrence River, which is almost impossible to develop as it's almost only water. It was acquired by the City of Baie-Comeau because it is near the Pioneer Park and the land was for sale as part of the liquidation of Abitibi-Bowater assets.

Also, the sale #7 is another transaction in connection with the liquidation of Abitibi-Bowater assets. This transaction involved three lots; two along the St. Lawrence River and the Maritime road and the other one along the north side of the Maritime road. These lands are rugged and rocky, but in an urban area. Both land along the river support railway lines, increasing their attractiveness to the buyer. These lines belong to the railway Canadian National or to Soport.

The sale #8 involved a large area outside the urban area of Port-Cartier. It was acquired to build a home but in an area without service, and the land has no view on the St. Lawrence River. Such features account for the low selling price.

The sale #9 involved the Department of Natural Resources and Wildlife, who sold to the

city of Sept-Îles a large strip of land to continue to allow residential development in the district of Ste-Famille. This is the development of Rochette Street and other. The selling price was set at \$ 5.00 per square foot or \$50,000.00 per hectare and this, in the rough.

The sale #10 involved land zoned conservation at the corner of Boulevard Comeau and Pierre Ouellet in Baie-Comeau. This field has dramatic topography which explains its zoning despite its advantageous location. Part of this land is a swamp and is well below the street level while another part has a rock floor covered with topsoil.

The sale #11 involved a vast industrial land located along the boulevard Comeau in Baie-Comeau. This land was acquired unimproved with a rocky soil for assembly purposes to the existing industrial property of the purchaser. The land looks like the subject land.

Sales #12 and #13 involved several lots or land that were acquired by the Port Corporation Railway Baie-Comeau to allow construction of a section of railway linking the port of Baie-Comeau to the Industrial Park of Labrador street. The lands traded were outside the urbanized area, rough and unattractive except for the use it was intended to.

Sales #27 and #28 involved two undeveloped and unimproved lands which were acquired by the Development Corporation of the City of Baie-Comeau to develop a new industrial park between the two urban areas of the city of Baie- Comeau. This is not serviced lands with an uneven topography that are not located directly along Highway 138 (boulevard Pierre-Ouellet) but directly behind. The prices paid reflect the status of land and the potential market that was nonexistent. The whole neighborhood was vacant.

The sale # 22 made in 2003 has completed the acquisition of land to complete the new industrial park of Baie-Comeau located between Mingan and Marquette sectors. The unit price paid per hectare is less than sales #27 and #28 because the land acquired by MNR has a more rugged topography and it is much deeper to the north.

We are of opinion that the average price paid for these three acquisitions, sales #22, #27

and #28 gives us a good indication of the market value for industrial land undeveloped, rugged and of very large size. The average price is \$ 1,007.40 per hectare.

The sale #14 involved a vacant land located east of the urbanized area of the city of Sept-Îles. This is a partly woodland which is located near an industrial area. The price paid gives us an indication of the market value for forest land uses. This land is located east of the airport near the Moisie sector.

The sale #15 involved a land located on the east side of Sept-Îles airport, which was acquired by a U.S. Pension Fund during the seventies. As the land has almost never taken any value, they decided to sell it at a liquidation price, which is confirmed by the sale #3 involving the same land. Sales #24, #25 and #26 involved lands from the same area that were sold at similar prices in 2001. At the time of the sales, the lands were covered with wood and the buyer has cut all the wood before reselling them in 2004 as shown in the sale #20.

Sales #16 and #17 involved lands in the Bay of Seven Islands north of Road 138 and the Place de l'Anse development. These two acquisitions are made in order to expand the Indian Reserve Uashat. The prices paid reflect the fact that most of the land transacted was dedicated to a residential use.

The sale #18 involved a land overlooking the east side of the grip of the railway Arnaud. In this area, there is no water service and sewage and the land does not pass on a public road. The price paid reflects the zoning and the aspect of the sale, because the seller, Episcopal Corporation of the Diocese of Baie-Comeau owned this land for nearly 50 years and had never used it. For the diocese, it was very unlikely to need this land, so they decided to sell it when they received an offer to purchase. The land was zoned industrial when sold.

Sale #19 involves selling a land that was acquired from the Department of Natural Resources to conduct a farm. The unit rate paid takes that fact into account.

The sale #21 involved a vast land in a forest area near Road 138 along the Pointe-Noire road. This land was acquired by the Ducks Unlimited for conservation purposes. The price paid is after all relatively large for the intended use. The land is located directly along the Pointe-Noire road and there are no services in this sector.

The sale #23 involved a vast land between the St. Lawrence River and Road 138, on the east side of the Amédée River, between the two urbanized areas of the city of Baie-Comeau. The price paid for the land in bulk will be retained by the Development Corporation of the City of Baie-Comeau, for future development. This is not industrial land.

Sales #29, #30 and #31 were carried out in 1998 as part of the implementation of Kruger Company by the Scierie Manic in Ragueneau, which is located about twenty kilometers west of Baie-Comeau. The sale #29 is the acquisition of land by the municipality of Ragueneau for the development of a small industrial park near Sawmill Manic facilities.

The sale #30 is the acquisition of land with a particular soil for the storage of wood bark. This is a land located outside the urbanized area and whose potential use is very limited. In addition, this land is not accessible by a public road.

The sale #31 is the acquisition of the site where the sawmill Manic was built in the rank 2 of Ragueneau. It was a wooded land, with a rugged topography and in part on which improvements have been made. In addition, there was no service provided by the municipality.

The sale # 32 involved a vast land for industrial and forestry vocation which is located in the Moisie sector in the city of Sept-Îles. The land forms a large quadrilateral limited by Road 138 to the north, by the Moisie River to the east, by the St. Lawrence River to the south and by the urbanized area of the municipality to the west. During the transaction, the land was not serviced and not improved, but it was covered largely by standing timber at maturity. Several factors were considered in this transaction which resulted that the price paid can not be used to the value of the subject land without adjustments.

The market for vacant lands with large surface is relatively limited on the North Shore, but even more when they have an industrial vocation.

Sales Schedule of Vacant Lands

#	Date	Reg. Number	Lots	Seller/buyer	Zoning	Sale price (\$)	Surper. (ha)	Unit Rate \$/ha	Remarks
1	08-11-2011	18617761	23 lots	Ville Port-Cartier/ Dév. Triangle du Nord	Résid.	130 000,00	2,1274	61 107,96	Développement rue Jean-Talon
2	08-11-2011	18617758	28 lots	Ville Port-Cartier/ Dév. Triangle du Nord	Résid.	260 000,00	4,19592	61 964,96	Développement Grande-Baie
3	27-10-2011	18586169	9-Ptie	Mont Léone Sept-Îles propriétés/ 9252-4297 Qc inc.	1035-F	200 000,00	127,59	1567,52	Route 138
4	21-10-2011	18569523	4046677, 3210173	Soc. Exp. Baie-Comeau/ 9115-8014 Qc inc.	Ind. et comm.	51 600,00	5,155	10 009,70	Boul. Comeau, Baie-Comeau
5	17-10-2011	18558578	3497849	Ville de Forestville/ Groupe Asselin, Labelle	Résid.	99 900,00	8,361	11 948,33	1 ^e Avenue, Forestville
6	08-09-2011	18458247	3403111	4513541 Canada inc./ Soc. Exp. Baie-Comeau	Cons.	1 100,00	21,86	50,32	
7	16-08-2011	18398548	3403218, 3403087, 3211087	4513541 Canada inc./ Jean Fournier inc.	Ind.	40 000,00	3,93738	10159,04	Route Maritime, Baie-Comeau
8	17-07-2011	18330216	Bloc «I»	Radio Port-Cartier/ Mario Lefrançois	For.	8 500,00	16,276	522,24	Route 138, Port- Cartier
9	30-05-2011	18165927	Plusieurs lots	M.R.N.F./ Ville de Sept-Îles	Résid.	313 847,00	6,27694	50 000,00	Développement résidentiel
10	21-06-2010	17306206	3621378	Ab. Consolidated/ Ent. Bobby Miller	Cons.	141 995,65	6,9606	20 400,00	Très accidenté
11	14-04-2009	16077358	3746139	Ab. Consolidated/ Gestion Danor	7F	21 100,00	1,687	12 507,41	Boul. Comeau, Baie-Comeau
12	17-11-2008	15759482	2906933	Ab. Consolidated/ Soc. Port Ferroviaire	Cons.	9769,60	12,212	800,00	
13	10-10-2008	15660280	3446710, 712, 713 et 715	M.R.N.F./ Soc. Port Ferroviaire	Cons.	8461,60	10,577413	800,00	
14	30-03-2007	14104574	10-partie, rang 1	Louis Vigneault / Éric Comeau	1035 F	25 000,00	22,7	1101,32	1440, Laure Est, terrain vacant non amélioré, avec boisé
15	22-08-2006	13583483	9-partie et autres	Trustees of Plastering /Mont Léone Sept-Îles	1035-F	34 250,00	127,59	268,44	Terrain qui avait été déboisé
16	21-07-2006	13510912	3213932, 3404466	Les immeubles Ber / S.D.E.U.M.	518-i, 516-i	180 539,90	4,7891	37 697,53	Rang un Est, Baie des Sept Îles
17	16-06-2006	13428115	11-162 rang 1 Est	Les immeubles Ber / La Reine du Canada	533-R	800 000,00	21,235	37 673,65	Terrain résidentiel à développer
18	23-03-2006	13075864	35-partie rang 1	Corp. Episcopale Baie- Comeau / J. Coulombe	1i	16 000,00	30,14	530,86	Secteur de Pointe- Noire

19	22-03-2004	11161599	6-3, 7-3, 8-3 rang B	M.R.N./ Ferme J-Francois Côté inc.		13 300,00	26,27	506,28	
20	23-03-2004	11165503	Bloc A-partie	Gestion Imm. Riggs / 9137-2896 Qc inc.	Forestier	156 900,00	258,068	607,98	Terrain forestier qui a été coupé et est vendu dénudé
21	18-09-2003	96647	Bloc 29	Radio Sept-Îles inc. / Canards Illimités	114-F	45 000,00	50,909	883,93	Acquis pour conservation
22	07-07-2003	209156	52 et 53	M.R.N. /S.E.B.C.	Ind.	107 462,40	134,328	800,05	Terrain du futur parc industriel à Baie-Comeau
23	17-01-2002	204656	Plusieurs lots	Abitibi consol./S.E.B.C.	Cons.	300 000,00	425,83	704,50	Terrain en vrac au sud de la route 138 et à l'est de la rivière Amédée
24	21-09-2001	92361	D-3, D-6	André Richard / Gestion imm. R.I.G.S. inc.	Forestier	9 000,00	31,47	285,99	2375, route Jacques-Cartier, Moisie
25	29-08-2001	92237	D-2	Jean-Guy Normand inc./ Gestion imm. R.I.G.S.	Forestier	5 000,00	13,7	364,96	Chaque côté de la route 138, 2265, route Jacques- Cartier, Moisie
26	22-01-2001	91003	Bloc A et 2 lots de grève	Bernard Fortier et als./ Gestion imm. R.I.G.S.	Forestier	400 000,00	1291,195	309,79	Vaste terrain à développer à l'embouchure de la rivière Moisie et du fleuve St-Laurent
27	12-02-2001	201743	2-13 et als.	Donohue /S.E.B.C.	Ind.	25 877,55	10,78	2 400,00	Acquis pour développer un parc industriel
28	31-08-2000	200607	129, 130, 132, 133	M.R.N. / S.E.B.C.	Ind.	22 183,00	9,274	2 391,96	Acquis pour développer un parc industriel
29	21-05-1998	142614	51-2, 51-3, 51-4	M.M.T.F. / Municipalité de Ragueneau	Ind.	12 084,00	6,04	2 000,00	Ragueneau, petit parc industriel à développer
30	13-03-1998	191973	11-1, 12-1	M.M.T.F./ Scierie Manic	Ind.	117 847,00	226,63	520,00	Site d'écorce
31	13-03-1998	191974	45-1, 46-1	M.M.T.F./ Scierie Manic	Ind.	227 635,50	151,76	1 500,00	Site où fut construit la Scierie Manic à Ragueneau
32	01-10-1996	82100	Bloc A et T	I.C.I. Canada inc./ S-Îles Développement	Ind. et for.	1 055 657,10	1 304,26	809,39	Terrain boisé situé le long de la route 138 et le fleuve à Moisie
33	01-01-1996	80398	14-partie, 15- partie	Comp. I.O.C. / Sept-Îles	Ind.	5 000,00	0,84	5 930,49	Site des étangs aérés
34	01-01-1996	80397	12-ptie, 13- ptie	QNS & L./ Ville de Sept-Îles	Ind.	94 000,00	15,52	6056,70	Site des étangs aérés

35	25-01-1996	80449	35-1-Ptie	Cie chemin de fer/ ville de Sept-Îles	Ind.	1710,00	0,558	3064,52	Secteur Pointe-Noire, le long du chemin
36	01-09-1989	63756	Bloc 59	Gouv. Québec/ Aluminerie Alouette	1i	212 850,00	47,3	4 500,00	Site de l'Aluminerie Alouette
37	13-07-1992	71749	Bloc 69	Min. Énergie et Ress./ Corpic	110-i	27 288,00	5,569	4 900,00	Rue Alban-Blanchard
38	04-05-1993	74114	Bloc 68	Pavage du Golf inc./ Bétonnière du Golf inc.	3i	21 442,00	2,846	7534,08	Coin Alban-Blanchard et chemin de la Pointe-Noire

Conclusion

Our research has therefore provided a record of 38 transactions which were conducted on the North Shore and that, between 1989 and November 2011.

Sales #36, #37 and #38 allow us to see that the sector development of the subject land occurred at the turn of the years 1980 to 1990, while the Relance wharf and the industrial site of the Alouette Company were built. The sale #36 is listed as information only because we are far from certain that the price indicated the value of the land in bulk at the time.

Sales #37 and #38 have involved small lands but they are located near the north side of the subject and as the latter, they line Alban-Blanchard Street or Pointe-Noire road.

Sales #4, #7, #11, #12, #13, #22, #27, #28, #29, #31, #33, #34, #35, and #38 are those representing lands similar to the subject and this, by their potential use and other characteristics. In fact, the subject land must be subdivided into three: rugged section to the south, marshy section in the center and the easily usable flat section to the north.

The sale #11 involved a relatively small land that was acquired for purposes of assembly. As for the sales #12 and #13 we believe that the price was based on the unit price paid in 2003 for the sale #22 by the Société d'Expansion of Baie-Comeau to acquire the land of the industrial park. That would make sense because the two land sales transacted at #12 and #13 are located in undeveloped areas.

Prices paid in sales #27 and #28 in 2000 and 2001 are higher at the unit price and this is explained by the fact that these lands were less rough and especially closer to Road 138 and accessible by a road.

The sale #4 involved a relatively small land compared to the subject land, but it is located in a higher-traffic sector. The average price paid is lower due to the land topography and its potential uses

The sale #7 involved an unimproved rugged industrial land at the Port of Baie-Comeau. The ground is rock and there is a partial elevation. Two of the lots are along side the river and support railway lines.

Based on prices paid on the various transactions and on characteristics of the subject land which are a large flat section, a swamp section and rock section with a rugged topography, we are of opinion that it is justified to estimate its market value at \$10,000 per hectare for the plane section ($\pm 50\%$), \$2, 500.00 per hectare for the swampy section ($\pm 10\%$) and \$1,000.00 per hectare for the rugged rock section ($\pm 40\%$).

The rugged section could be worth more, but the impact of the power line near the Pointe-Noire road diminishes its potential usefulness and attractiveness.

The market value of the subject land is therefore calculated as follows:

50% at \$10,000.00 / hectare:	\$5,000.00
10% at \$2,500.00 / hectare:	\$250.00
40% at \$1,000.00 / hectare:	\$400.00
Total per hectare:	\$5,650.00

The market value of the subject land is estimated at an average rate of \$5,650.00 per hectare for a total of:

$$344.0926 \text{ hectares} \times \$ 5,650.00 = \$1,944,123.19.$$

Rounded to: \$1,944,000.00

CERTIFICATE OF THE APPRAISER

This study is based on an analysis of data collected from representatives of the city of Sept-Îles, office of the registrar of rights and details obtained from different sources which I believe reliable and valid.

I, hereby, after a tour of the property, said to the best of my knowledge and belief, the various information, compilations, data and literature have been prepared with utmost care, that nothing has been inserted or omitted improperly or fraudulently, that I have no present or future interest in the property being appraised and, as result of my analysis, it is my opinion to estimate the value of the land known and designated as Lot 3,931,541 of the Cadastre of Quebec in the Pointe-Noire sector of Sept-Îles at an average rate of \$5,650.00 per hectare for a total of \$1,944,000.00 as of January 11, 2012.

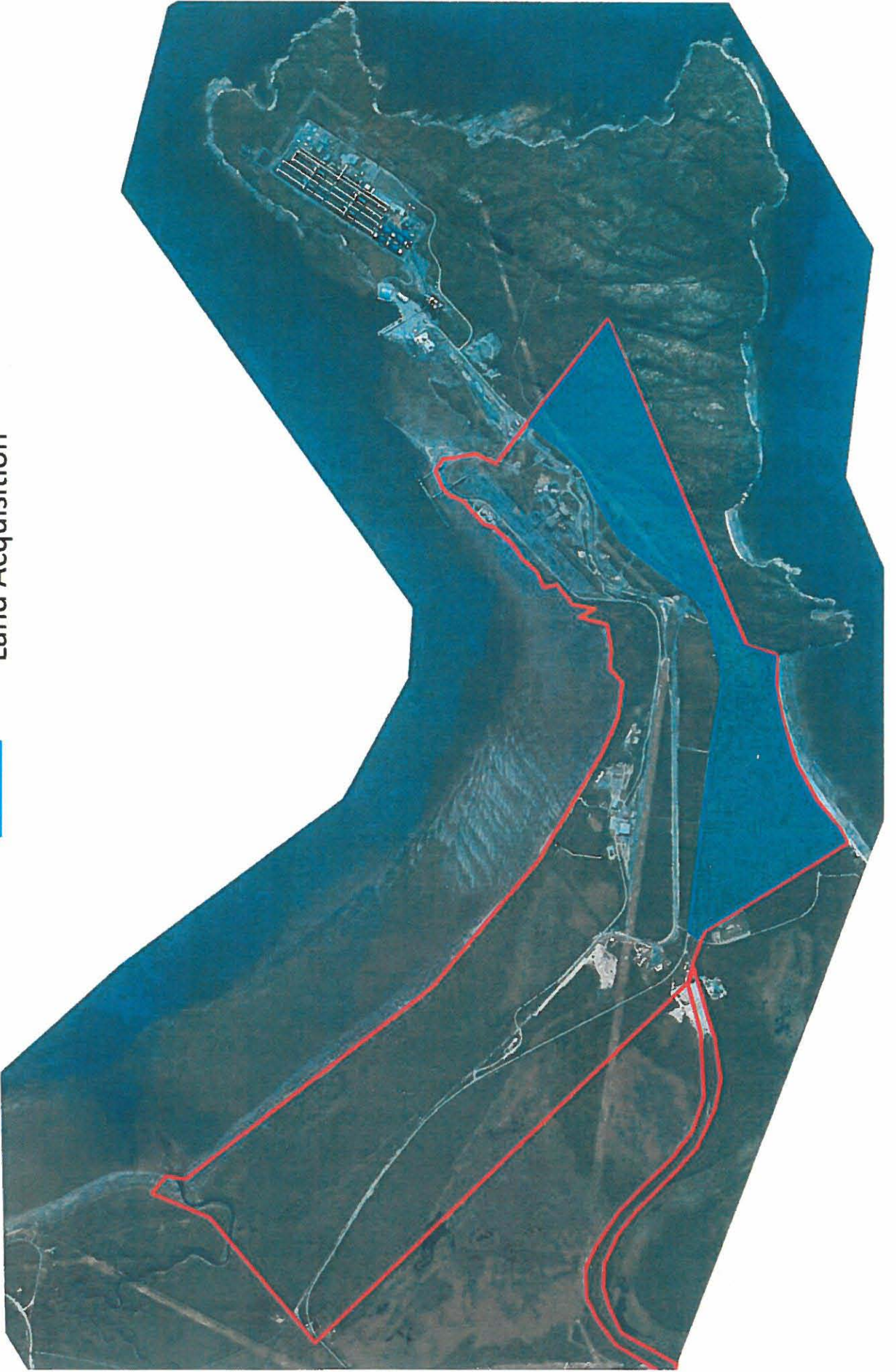


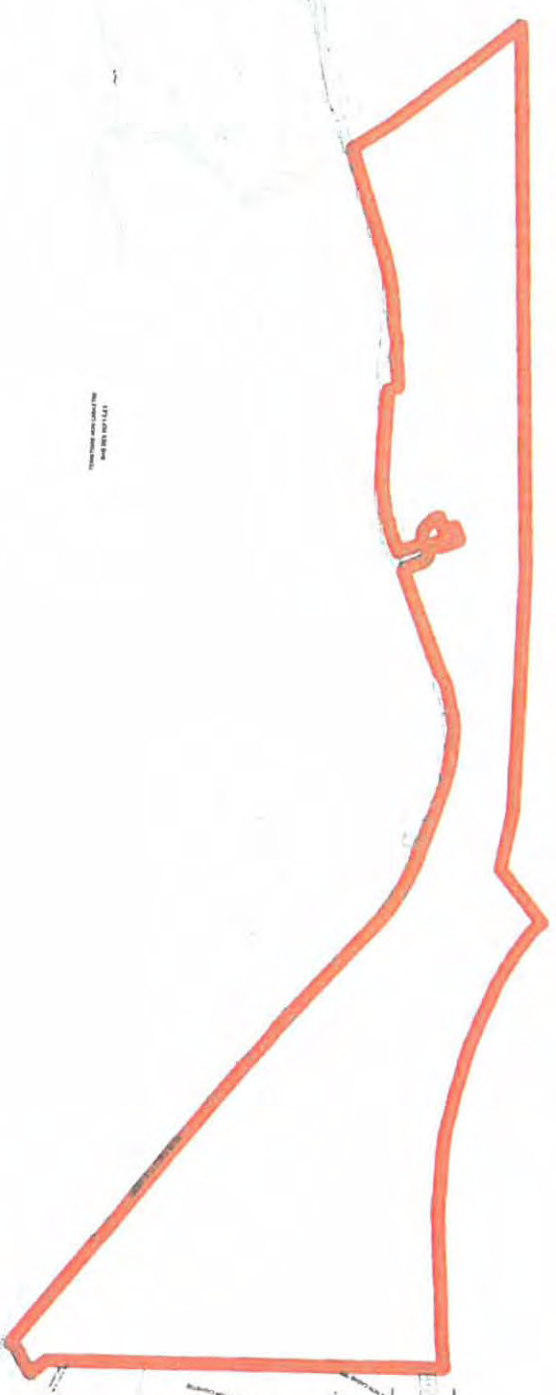
Marcel Furlong, B.A.A., E.A.
Licensed Appraiser, A.A.C.I.

ANNEX A

Localization Plan

Cliffs' boundary
Land Acquisition





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ANNEX B

Arial Photos

PHOTOGRAPHIE DE LA PROPRIÉTÉ



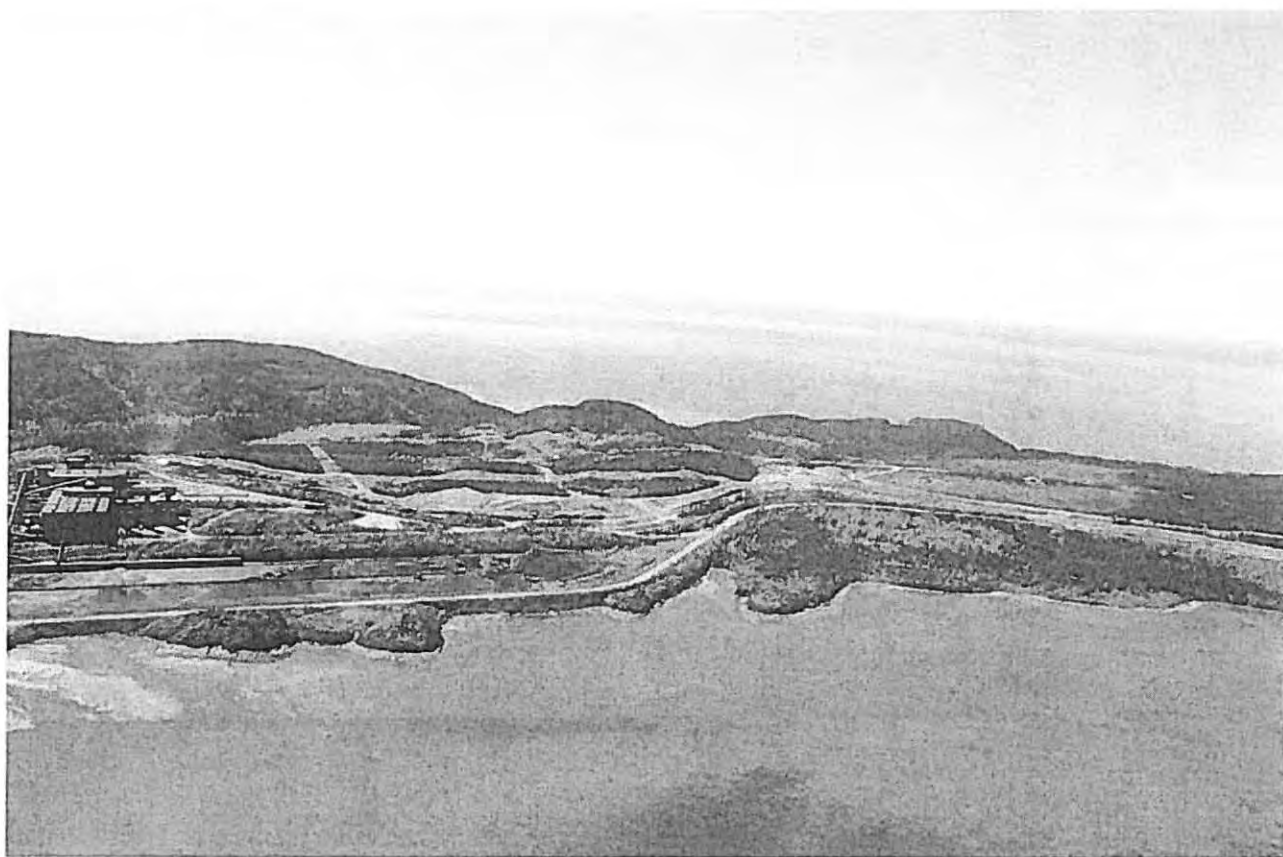
PHOTOGRAPHIE DE LA PROPRIÉTÉ (suite)



PHOTOGRAPHIE DE LA PROPRIÉTÉ (suite)



PHOTOGRAPHIE DE LA PROPRIÉTÉ (suite)



PHOTOGRAPHIE DE LA PROPRIÉTÉ (suite)





Pour restituer le niveau de détail visible à l'écran, cliquez sur le lien Imprimer à côté de la carte.





Pour restituer le niveau de détail visible à l'écran, cliquez sur le lien Imprimer à côté de la carte.

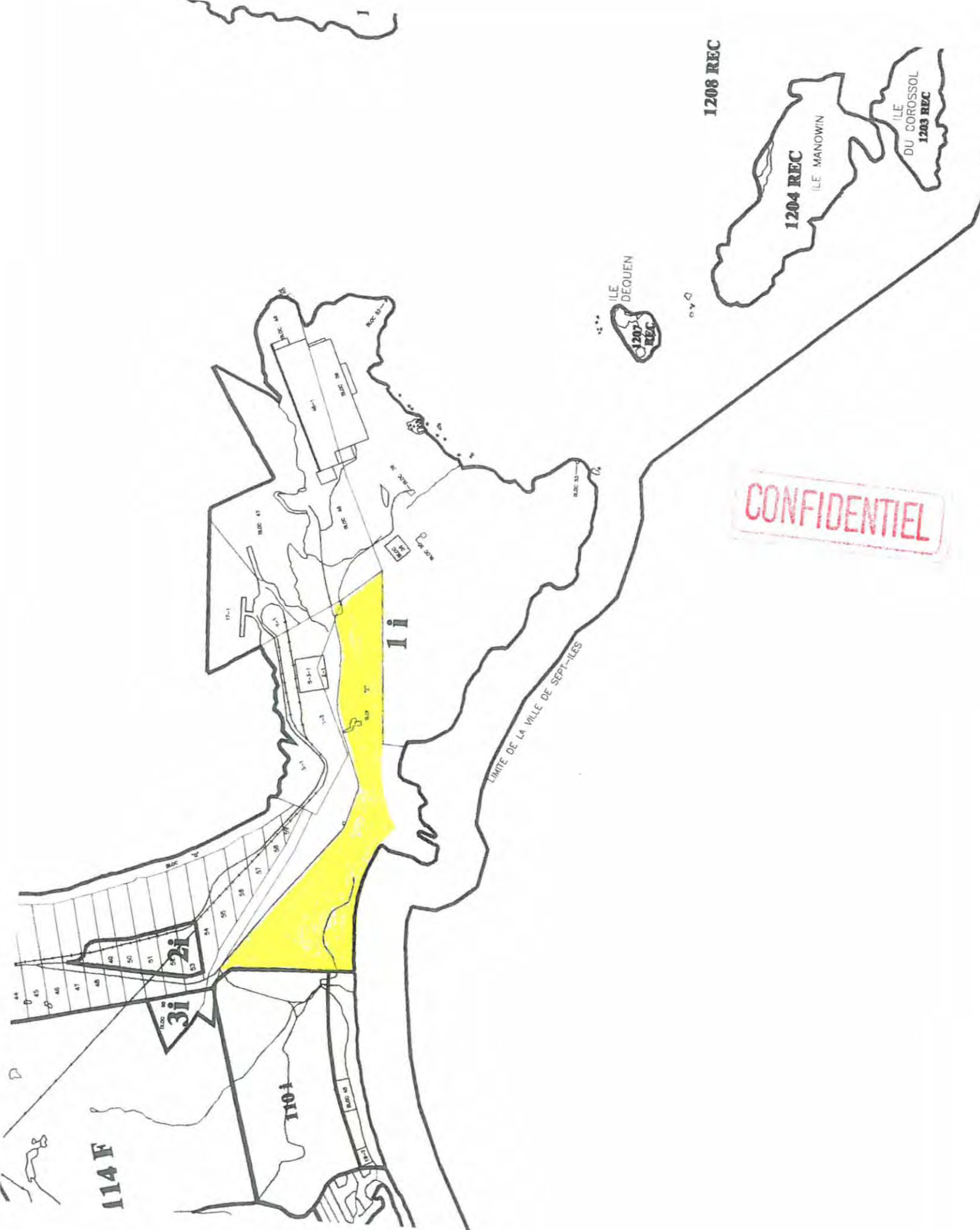


ANNEX C

Zoning

Ville de Sept-Iles		Zones											
		1 I	2 I	3 I	101 REC	102 R	103 R	104 REC	105 REC	106 C	107 R	108 R	108-1 R
	Unifamiliale isolée	Ra				•	•				•	•	•
	Unifamiliale jumelée	Rb											•
	Habitation adossée	Rl											
	Bifamiliale isolée	Rc											
	Bifamiliale jumelée	Rd											
	Trifamiliale isolée	Re											
	Trifamiliale jumelée	Rf											
	Habitation collective (max.	Rg											
	Unifamiliale en rangée (4 à 8 log.)	Rh											
	Multifamiliale (4 à 6 log.)	Ri											
	Multifamiliale (6 log. et plus)	Rj											
	Multifamiliale avec services intégrés et complémentaires (6 log. et plus)	Rk											
	Maison mobile ou unimodulaire	Rm				•	•				•	•	
	Commerce et service de quartier	Ca				•				•			
	Commerce et service local et régional	Cb											
	Commerce et service à contrainte sur le milieu	Cc											
	Commerce et service d'hébergement et de restauration	Cd								•			
	Commerce et service de l'automobile	Ce											
	Station service et débit d'essence	Cf											
	Centre commercial de grande surface (max. 12 000 m ²)	Cg											
	Centre commercial régional de grande surface (min. 10 000 m ²)	Ch											
	Commerce de gros et industrie à incidence faible	Ia											
	Commerce de gros et industrie à incidence modérée	Ib		•									
	Commerce de gros et industrie à incidence élevée	Ic	•	•									
	Industrie extractive	Id	(1)	•	•								
	Utilité publique	Ie	•	•	•	•		•	•	•			
	Publique et institutionnelle de nature locale	So											
	Publique et institutionnelle de nature régionale	Sb											
	Parc et espace vert	REC-a			•		•	•	•	•	•	•	•
	Récréation intensive	REC-b											
	Récréation extensive	REC-c											
	Forestier - Conservation	FC											
	Forestier - Villégiature	FV											
	Forestier - Exploitation	FE											
	Agriculture avec ou sans élevage	A											
	Élevage artisanal	EA											
	Conservation	CN											
	Usage et/ou construction spécifiquement autorisé			354, 355		Chalet, roulotte	Chalet, roulotte				Chalet, roulotte	Chalet, roulotte	
	Usage et/ou construction spécifiquement exclu		591, 6352	591, 6352									
	Hauteur minimale	(m)	4,5	4,5	3	3	3			3,5	3	3	4,5
	Hauteur maximale	(m)			10	10	10			10	10	10	10
	Marge de recul avant minimale	(m)	10	10	7,5	7,5	7,5			7,5	7,5	7,5	7,5
	Marge de recul arrière minimale	(m)	20	20	10	8	8			10	8	8	8
	Marge de recul latérale minimale	(m)	10	10	4	(2)	2-4			4	2-4	2-4	(2)
	Largeur combinée des marges latérales minimales	(m)	20	20	8	(2)	6			8	6	6	(2)
	Coefficient d'implantation au sol	(%)	70	50	40	40	30			40	30	30	30
	Entreposage	(Type)	D	D	D								
	Écran-tampon	(m)	30										
	Zone de contrainte ou à risque												
	Corridor de protection visuelle												
	PIIA												
	Gîte touristique					•	•				•	•	•
	Service complémentaire à l'habitation	(Type)				1/2/3	1/2/3				1/2/3	1/2/3	1/2/3
	Industrie artisanale												
	Norme spécifique					Art 7.2.3 Art. 16.1 (15)	Art 7.2.3 Art. 16.1 (15)				Art 7.2.3 Art. 16.1 (15)	Art 7.2.3 Art. 16.1 (15)	Art 7.2.3 (15)
Conditions d'émission de permis	Rue publique		•	•	•	•	•	•	•	•	•	•	•
	Rue privée		(55)	(55)									
AMÉNDÉMENT													

Classe d'usage
et implantation



CONFIDENTIEL

114 F

110-1

3i

2i

1i

1201 REC

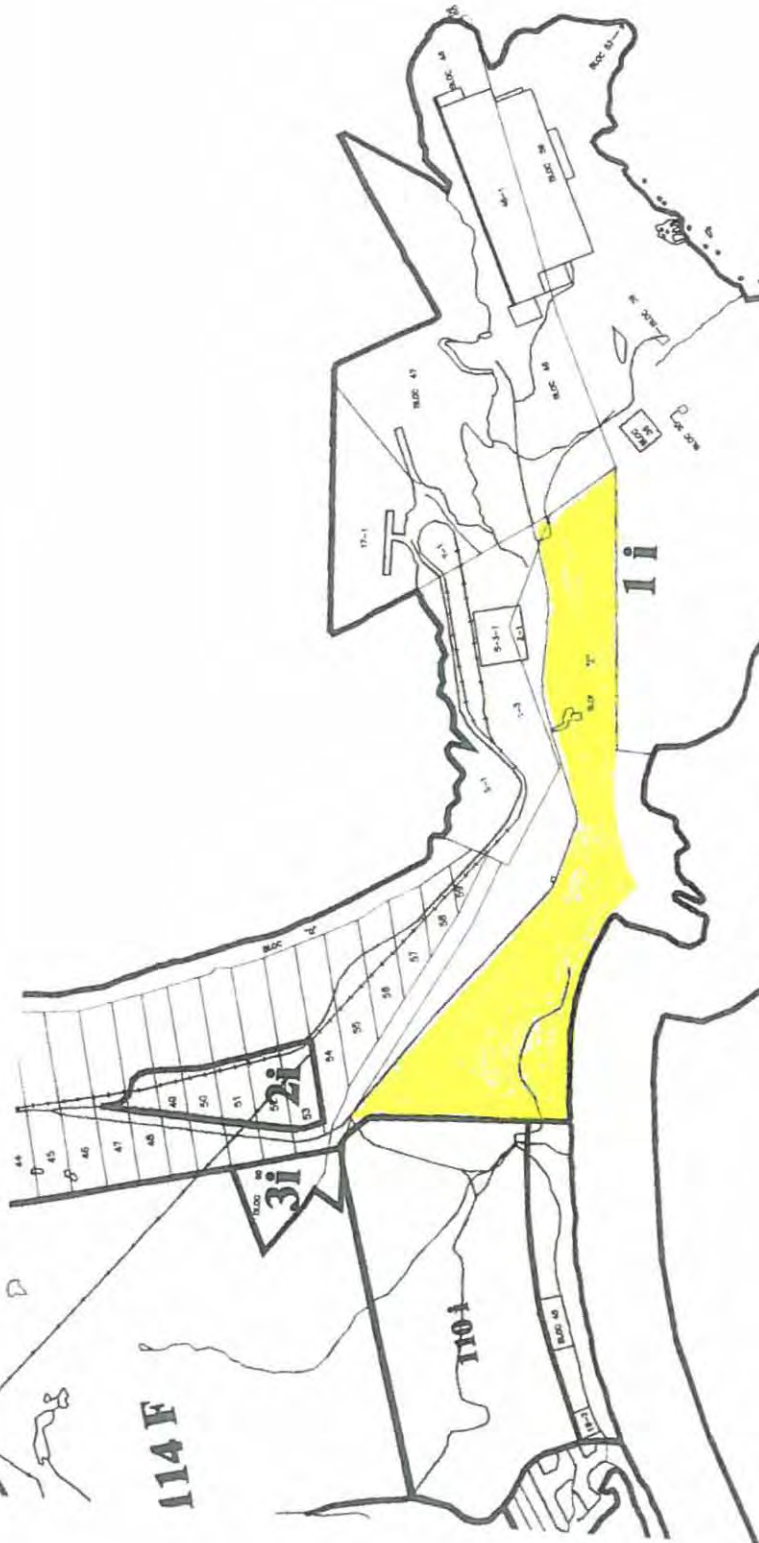
1204 REC

ILE MANOWIN

1208 REC

ILE DU COROSSOL
1203 REC

LIMITE DE LA VILLE DE SEPT-ILES



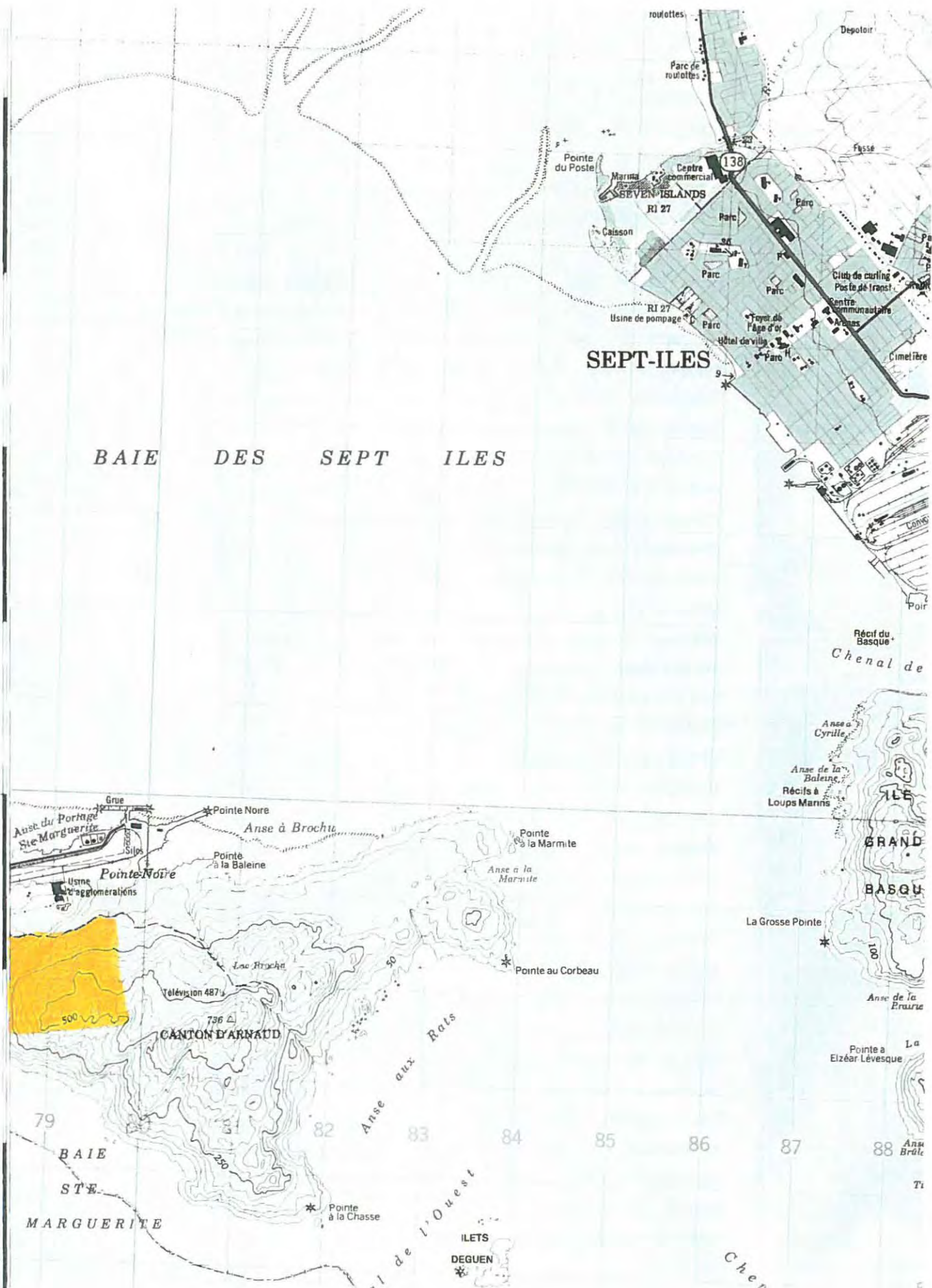
ANNEX D

Topography Map

5570000m. N

Clarke City

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BAIE DES SEPT ILES

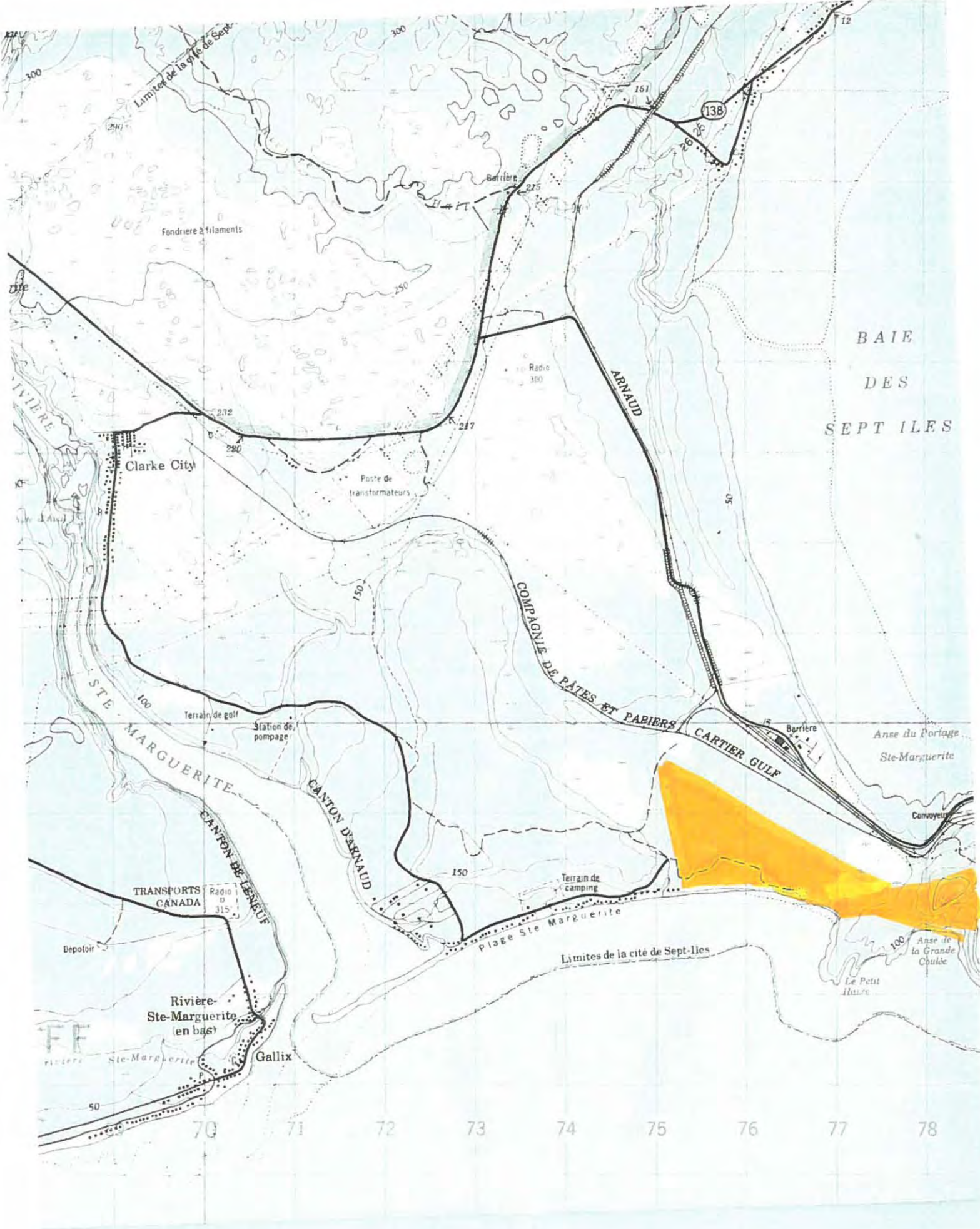
SEPT-ILES

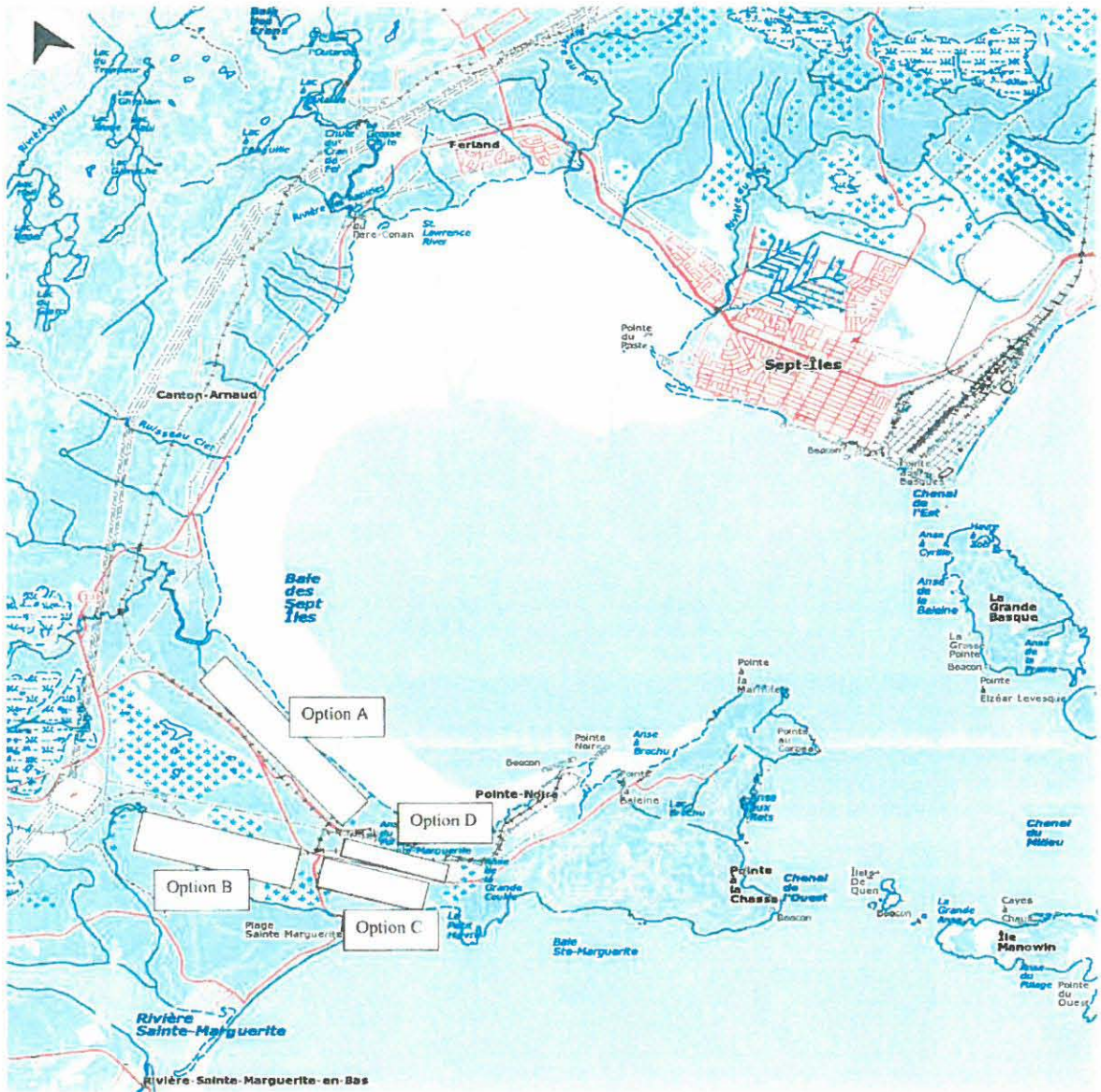
CANTON D'ARNAUD

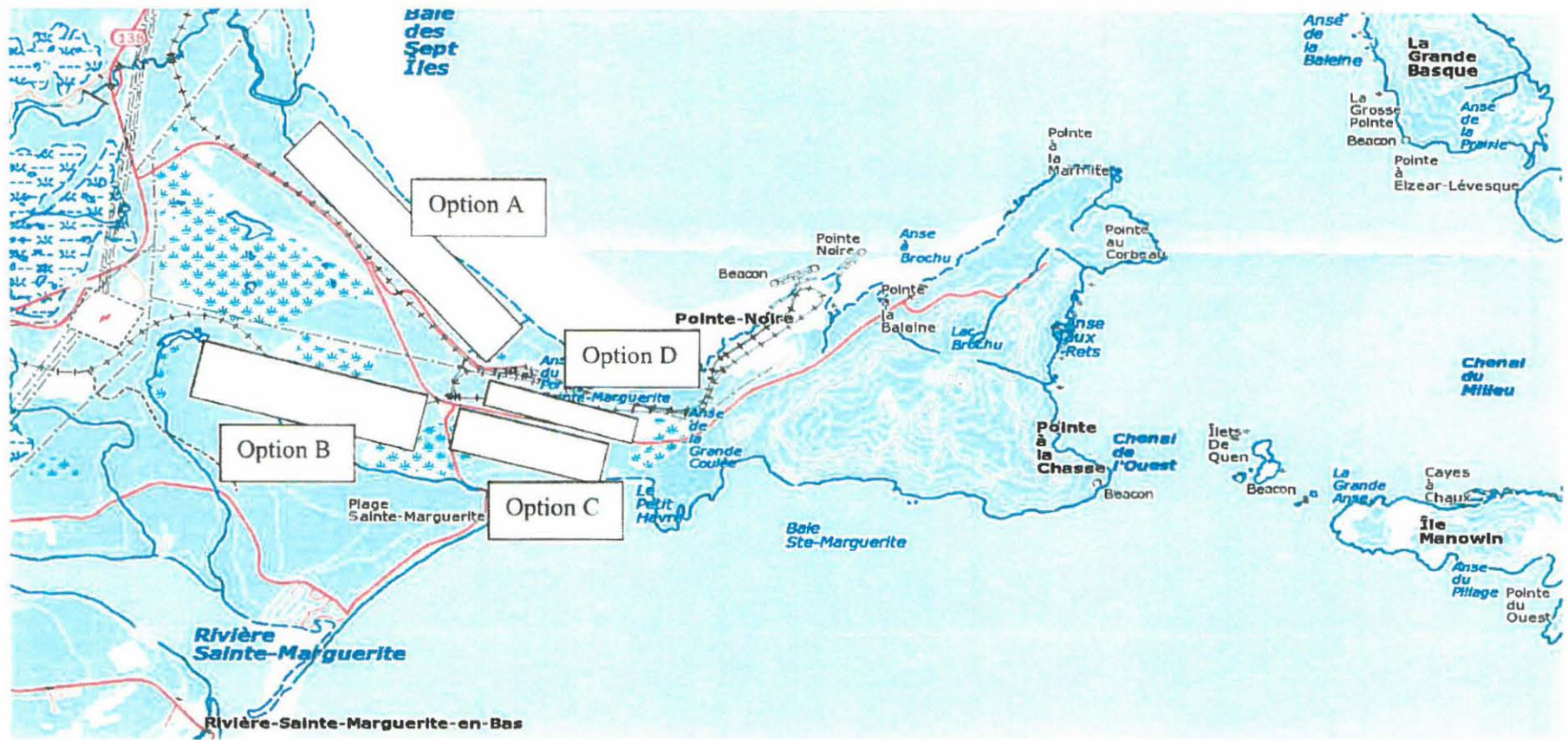
BAIE STE MARGUERITE

Ilets DEGUEN

ILE GRAND BASQUE







Sept-Îles, January 16, 2012

Mr. Pierre Gagnon
Port of Sept-Îles
1, Quai Mgr-Blanche
Sept-Îles (Québec) G4R 5P3

Subject: Estimated market value of a vacant industrial land
File: 21245

Sirs,

This responds to the mandate you have entrusted to the effect of estimate the market value of a vacant land with industrial purposes located at the West end of Pointe-Noire road in Sept-Îles.

We are pleased to present this Assessment report in which we show you how we estimated the market value per hectare of the lot 3,931,541 of Cadastre of Quebec.

You will find the reasons for this opinion in the report prepared in accordance with the general accepted principles and concepts in land assessment.

Hoping the whole to your satisfaction,

Yours truly,

Marcel Furlong, B.A.A., C. A.
Licensed Appraiser

Encl.