

BLOOM LAKE & WABUSH BUSINESSES

DIVESTITURE OF EASTERN CANADIAN IRON ORE ASSETS

OPPORTUNITY OVERVIEW

Moelis & Company has been mandated to pursue the divestiture of the Bloom Lake and Wabush businesses, located in Canada's Labrador Trough. The Bloom Lake business is majority-owned by Cliffs Québec Iron Mining Limited ULC, a British Columbia ULC ("CQIM") and the Wabush business is wholly-owned (in undivided interests) by Wabush Iron Co. Limited, an Ohio corporation ("WIC") and Wabush Resources Inc., a Canadian corporation ("WRI") (CQIM, WIC and WRI are collectively referred to as the "Company"). The Company is pursuing a divestiture and considering both joint and separate stock/asset acquisition proposals for the businesses and/or their assets on an "as is, where is" basis.

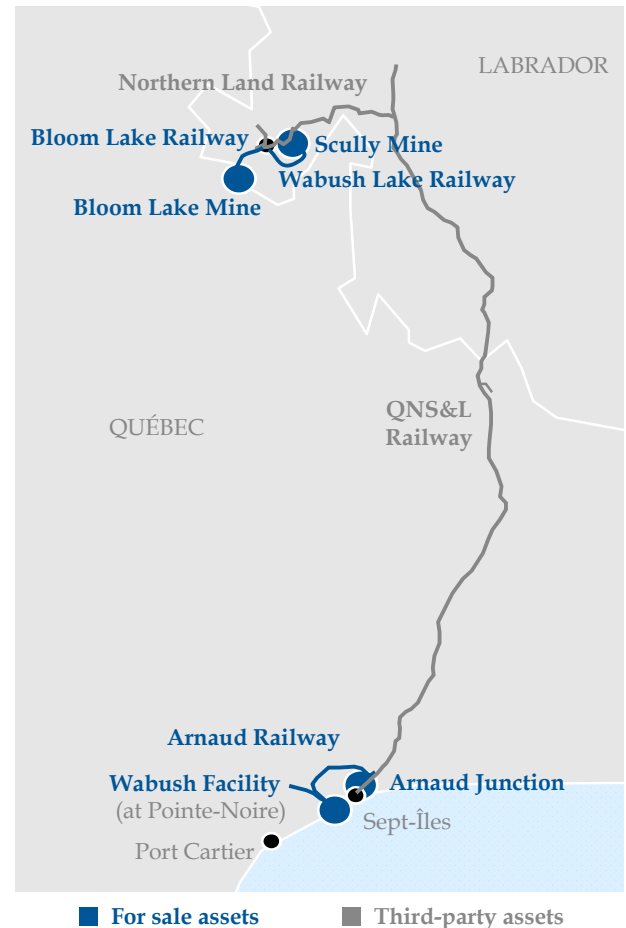
Corporate entities comprising the Bloom Lake business commenced restructuring proceedings in Montreal, Québec under the Companies' Creditors Arrangement Act ("CCAA") in January 2015. Corporate entities comprising the Wabush business have not filed for CCAA protection. However, WRI is a wholly-owned subsidiary of CQIM, which has commenced restructuring proceedings under the CCAA.

BUSINESS DESCRIPTION

CQIM owns 83% of the Bloom Lake Mine, 100% of the Bloom Lake Railway, the mining rights at the Lamelee and Pepler Lake projects, a mining camp, the infrastructure of a port complex, and a dock lease and laydown area (on leased land) in Pointe-Noire, among other assets. Bloom Lake recently suspended mining operations and the Bloom Lake business is currently in care and maintenance mode.

The Wabush business is comprised of the Wabush port complex at Pointe-Noire (which includes a pellet plant, a laydown area, port infrastructure and access to docks), the Wabush Lake Railway, the Arnaud Railway, and the Scully Mine. The Company idled the operations of the Scully Mine in February 2014.

MAP



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INVESTMENT HIGHLIGHTS

BLOOM LAKE BUSINESS

Iron Ore Mining Operation with Demonstrated Customer Base

- **Developed iron ore mine in the Labrador Trough (Québec)** – politically stable, mining-friendly iron ore basin with a fully-developed infrastructure network
- High-quality iron ore with **historical customers** in Asia and the opportunity to sell globally
- **Large resource base** with scheduled mine plan providing for a **20+ year mine life**
- **\$1.5 billion of capital already invested** in Phase 2 expansion of the Bloom Lake Mine
- Operating plan in place to achieve **significant reduction in production cash cost** after reaching full production capacity
- Significant amount of **mobile and processing equipment**, including logistics equipment such as railcars, to support Phase 2 expansion

Unique Iron Ore Deposit

- **Mineralized material of over 3.7 billion tonnes at 28.8% Fe** (including Bloom Lake Mine and additional resource bases at Lamelee and Peppler Lake deposits)
- Concentrate product features **high iron content of 66% Fe** and low quantities of deleterious elements such as silica, alumina, phosphorus and manganese
- Iron minerals are **very coarse grained and are easily liberated** from gangue minerals

Established Transportation Infrastructure

- **Strategic rail asset** in Canada’s largest iron ore production region
- **Established rail network and access** from mine to loading ports at Pointe-Noire and Sept-Îles
- **Storage and loading facilities** to support current and expanded production

WABUSH BUSINESS

Large Resource Base with Product Flexibility

- **Large resource base in a known mining district** with established infrastructure – mining equipment fleet on-site and a resident workforce available for recall
- Mineralized material of **200 million tonnes at 35.2% Fe**
- **Product flexibility** – mining operation produces both iron ore concentrate and pellets
- **Mine and mining rights** (through leases) of iron ore asset in the Labrador Trough

Proven Processing Facility with Significant Equipment Available

- **Established iron ore processing facility** including crushers, mills, spirals, hydro-sizers, dryers, separation units, load out bins, ore trains and maintenance shops
- Significant amount of **relatively new mobile and fixed equipment available**, including graders, shovels, dozers and trucks, most of which is less than 5 years old

Port and Docking Infrastructure to Serve High-Growth Markets

- **Contracted access over dock infrastructure and owned property** at Pointe-Noire, with prospective access to multi-user “super-port”
- Ability to serve the **seaborne iron ore markets in Asia, Europe and the Middle East**

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BLOOM LAKE BUSINESS

MINE OVERVIEW

CQIM owns an 83% interest in Bloom Lake Mine. The remaining 17% interest is held by an affiliate of one of China's largest steel producers, Wuhan Iron and Steel Co., which served as an offtaker for the mine's production until the mine transitioned to a care and maintenance operation in December 2014.

The Bloom Lake Mine is a multi-phase project, which is currently in Phase 1 of production. Bloom Lake has already invested considerably into the Phase 2 expansion, which upon completion, would more than double current production capacity and significantly decrease production cash costs per tonne.

Phase 1 of the Bloom Lake Mine was commissioned in March 2010 and consists of an open pit truck and shovel mine, a concentrator that utilizes single-stage crushing, an autogenous mill and gravity separation to produce iron concentrate. From the site, concentrate is transported by rail to a ship loading port in Pointe-Noire.

Annualized Phase 1 production of Bloom Lake is ~6 mtpy, with production cash costs under \$65/tonne in November 2014. \$1.5 billion has been invested in the construction of Phase 2, which is ~75% complete. Phase 2 consists of an additional concentrator and support facilities. Most of the necessary equipment for Phase 2 is already owned by the Bloom Lake entities. Completion of Phase 2 would increase capacity to ~14 mtpy and reduce production cash costs to ~\$50/tonne.



OPERATIONAL OVERVIEW

Mining

- Bloom Lake mineralized material of 1.7 billion tonnes
- Lamelee and Pepler Lake mineralized material of 2.0 billion tonnes
- Ore body consists mostly of coarse grained hematite along with magnetite and other oxide and silicate iron bearing minerals
- Current truck-shovel mining capacity greater than 65 mtpy

Processing

- Coarse grain iron particles liberate extremely well from silica and other gangue minerals to allow for a simple low-cost processing operation
- Size reduction process consisting of single stage crushing followed by autogenous grinding
- Classification completed by large single-deck vibrating screen
- Recovery circuit uses simple gravity concentration involving spiral separation

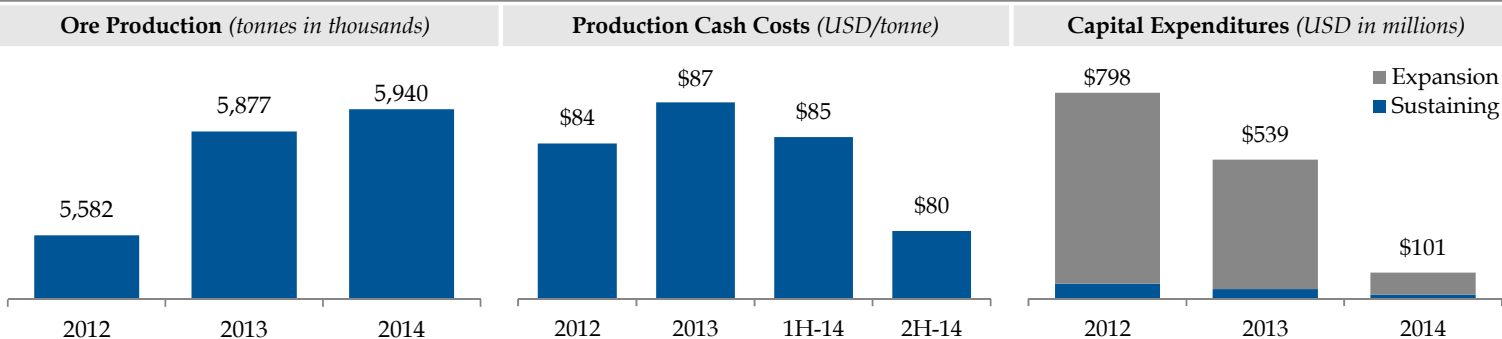
Tailings / Water

- Tailings produced consist of 85% coarse materials which are pumped separately from the fine tailings for dam construction and final deposition
- Dam construction and final deposition of coarse tailings completed mechanically or with hydraulics
- Site water is captured and treated before being discharged

Logistics

- Final concentrate is transported 480 km south to Sept-Îles and the port at Pointe-Noire
- Rail transportation is a combination of owned rail and third party common carrier
- During operation of Phase 1, Capesize vessels were loaded with the assistance of transshipping services

HISTORICAL FINANCIAL OVERVIEW



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WABUSH BUSINESS

WABUSH ASSET OVERVIEW

The Wabush business is comprised of a port, two wholly-owned railways and a mine, which has been in operation since 1965. The Wabush port includes a pellet plant, a lay down area, a port facility with access to docks located at Pointe-Noire, and a significant land package that accommodates expanded logistics facilities. The rail assets include the Wabush Lake Railway and the Arnaud Railway. The Scully Mine is comprised of a mine and concentrator. The Wabush port and rail assets are capable of servicing both the Wabush and Bloom Lake mining operations.

MINE OVERVIEW

The Scully Mine and concentrator are located in Wabush. The Scully Mine is able to produce hematite ore with an annual capacity of 5.6 million tonnes. As of 12/31/2014, the mine had 200 million tonnes of mineralized material with a 35.2% Fe grade. In February 2014, the mine ceased operations and is currently idle.

The Scully Mine closure plan has been approved by the provincial government. Surety bonds of ~\$50 million were posted by the Company to cover the environmental reclamation expenses and related liabilities.

The mine also has a significant amount of mobile and fixed equipment available for sale, including mobile equipment that is less than five years old.



RAIL OVERVIEW

The Wabush railways are comprised of two Canadian short line railways:

- Wabush Lake Railway is 3 km long and connects the Wabush Scully Mine to the Northern Land Railway at Wabush Junction.
- The Arnaud Railroad is a 35 km common carrier, which connects to the QNS&L Railway northeast of Sept-Îles at Arnaud Junction and terminates at the Wabush port complex at Pointe-Noire. The railroad primarily transports iron ore and has the potential to transport other commodities with total capacity of 20 mtpy.

The Arnaud Railway and port infrastructure are also a critical piece of infrastructure to other neighboring mining operations in the Labrador Trough that need to transport materials to and/or from Pointe-Noire. The Arnaud Railway is the only railway connecting Pointe-Noire and the QNS&L Railway at the Arnaud Junction.



PORT OVERVIEW

The dock facility at Pointe-Noire includes contractual access to Dock 30 and 31 with more than 14 mtpy of capacity. Under Phase 1 of the Bloom Lake operation, the port has excess capacity of 8 mtpy. The port also includes space to laydown and store material. The pellet plant has 5.5 mtpy of capacity and is located at the port.

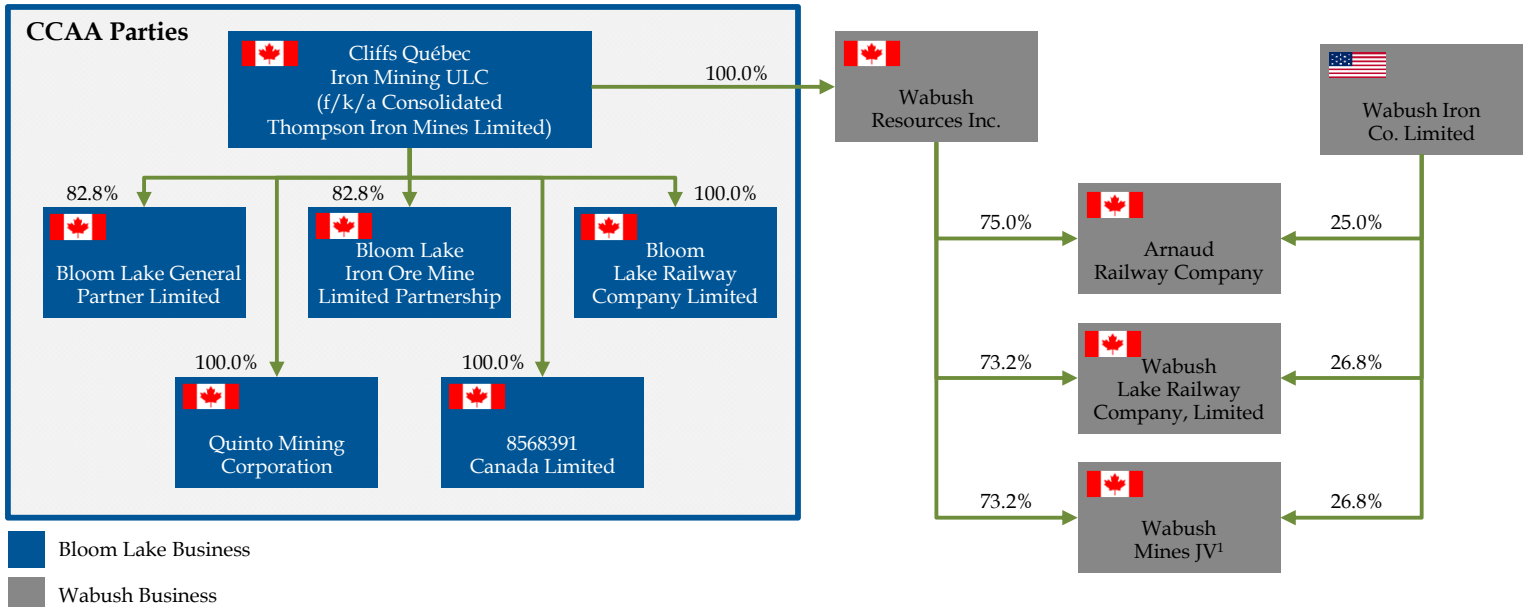
The dredging of Dock 30 and the installation of a new shiploader required to load Capesize vessels (for either Bloom Lake or Wabush) requires approval from the government and the local port authority. The approval process is currently on hold and pending the outcome of the sale process. Completion of dredging would eliminate the need for transshipping services for Capesize vessels. Upon completion of the dredging of Dock 30 and the installation of a new shiploader, the transshipping service can be eliminated, which may reduce shiploading costs by \$6/tonne.



BLOOM LAKE & WABUSH BUSINESSES

SIMPLIFIED CORPORATE STRUCTURE OVERVIEW

SIMPLIFIED CORPORATE STRUCTURE



ENTITY OVERVIEW

	ENTITY	ASSETS
Bloom Lake Business	CQIM	<ul style="list-style-type: none"> ▪ Holds 83% interest in Bloom Lake GP and Bloom Lake LP ▪ Holds a 100% interest in: <ul style="list-style-type: none"> – Bloom Lake Railway Company – Wabush Resources Inc. ▪ Owns a portion (with Quinto Mining) of certain mining claims related to the Lamelee and Pepler Lake deposits
	Bloom Lake GP / Bloom Lake LP	<ul style="list-style-type: none"> ▪ Bloom Lake GP and LP are owned by CQIM (83%) and Wugang Canada Resources, a subsidiary of WISCO (17%) ▪ Owns the assets of the Bloom Lake Mine
	Bloom Lake Railway Company	<ul style="list-style-type: none"> ▪ Owns a short-line railway comprising a 32 km rail contained wholly within Newfoundland and Labrador that connects the Bloom Lake Mine to the Wabush junction and the Northern Land Railway operated by the QNS&L
	Quinto Mining	<ul style="list-style-type: none"> ▪ Owns a portion of certain mining claims related to the Lamelee and Pepler Lake deposits ▪ Owns Lumby Mine, a non-operational mine located on the west side of Saddle Mountain, BC, Canada
	8568391 Canada	<ul style="list-style-type: none"> ▪ Holds the title to the ArcelorMittal mining camp and related assets located at Mont Wright. The entity does not own the land on which the mining camp is located
Wabush Business	Wabush Resources Inc.	<ul style="list-style-type: none"> ▪ Holds 73% ownership of the Wabush Mines JV and its assets including the pellet plant and port facility located in Pointe-Noire, Québec and the Wabush Scully Mine and concentrator located in Wabush
	Wabush Iron Co.	<ul style="list-style-type: none"> ▪ Holds 27% ownership of the Wabush Mines JV and its assets including the pellet plant and port facility located in Pointe-Noire, Québec and the Wabush Scully Mine and concentrator located in Wabush
	Arnaud Railway Company	<ul style="list-style-type: none"> ▪ Owns the Arnaud Railroad, which connects to the QNS&L Railway at the Arnaud Junction
	Wabush Lake Railway Co.	<ul style="list-style-type: none"> ▪ Holds the Wabush Lake Railway connecting the Wabush Scully Mine and the Northern Land Railway

Note: Corporate structure excludes equity holdings in certain entities not deemed relevant to the transaction (Twin Falls Power Corporation Limited, Knoll Lake Minerals Limited, Northern Land Company Limited and 7261543 Canada Inc.)

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DISCLAIMER

This document ("Teaser") contains selected information pertaining to Cliffs Québec Iron Mining Limited ULC ("CQIM") and Wabush Mines Joint Venture, a contractual joint venture between Wabush Iron Co. Limited and Wabush Resources Inc. ("Wabush"). CQIM and Wabush, collectively with their subsidiaries, are referred to herein as the "Company." The Company has engaged Moelis & Company LLC ("Moelis") as its mergers and acquisitions financial advisor in connection with the anticipated sale or sales of the Company or some or all of its assets (a "Transaction").

On January 27, 2015, CQIM sought and obtained an Initial Order under the Companies' Creditors Arrangement Act (the "CCAA") from the commercial division of the Quebec Superior Court. Pursuant to the Initial Order, FTI Consulting Canada Inc. ("Monitor") has been appointed as Monitor. The Monitor has a significant role in a CCAA proceeding as an officer of the court, overseer of the business and impartial observer of the restructuring. Wabush is not currently subject to the CCAA proceeding.

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