

**SALE OF GOODS AGREEMENT**

This **SALE OF GOODS AGREEMENT** ("Agreement") is executed and delivered this 30 day of September, 2015.

BETWEEN:

Wabush Iron Co. Limited, a corporation existing under the laws of Ohio  
("Wabush Iron")

Wabush Resources Inc., a corporation existing under the laws of Canada  
("Wabush Resources")

(Wabush Iron and Wabush Resources hereinafter collectively referred to  
as the "Sellers"),

- AND -

**9108-7189 Quebec Inc. (doing business as CDC Exports)**, a  
corporation existing under the laws of Quebec (hereinafter referred to as  
the "Purchaser"),

**WHEREAS** Wabush Iron and Wabush Resources are the participants in the Wabush Mines Joint Venture and each of them obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") by Order of the Quebec Superior Court [Commercial Division] (the "Court") dated May 20, 2015 and FTI Consulting Canada Inc. was appointed as monitor in the CCAA proceedings (in such capacity and not in its personal or corporate capacity, the "Monitor");

**WHEREAS** the Sellers have agreed to sell, transfer, assign, convey and deliver to the Purchaser all of their right, title and interest in and to the assets described in Schedule "A" attached hereto (the "Purchased Assets");

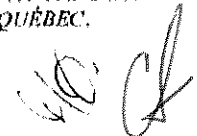
**WHEREAS** the transaction contemplated by this Agreement is subject to the approval of the Court;

**NOW, THEREFORE**, for the promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereto agree as follows:

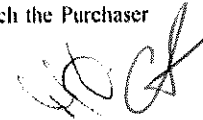
1. Transfer of Purchased Assets. Conditional upon (i) receipt of the Court Approval and (ii) the Purchased Assets meeting the quality standards described in Schedule "B" attached hereto (the "Quality Standards"), upon delivery of a purchase price of CAD\$2,000,000 (the "Purchase Price") plus applicable sales taxes on the Purchase Price to the Monitor, the Sellers shall sell, transfer, assign, convey and deliver to the Purchaser, and the Purchaser shall purchase from the Sellers, all of the Sellers' right, title and interest in and to the Purchased Assets. The Purchaser will pay the Purchase Price plus applicable sales taxes to the Purchase Price to the Monitor by wire transfer of immediately available funds within 7 days following approval of this Agreement, in form and substance satisfactory to the Sellers, by the Court (the "Court Approval").

Handwritten signatures and initials, including a large 'X' and a signature that appears to be 'CK'.

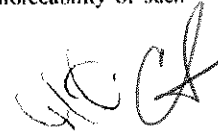
2. Deposit. Concurrently with the execution of this Agreement, the Purchaser shall pay to the Monitor the sum of CAD\$200,000 (the "**Deposit**") as a deposit. The Monitor shall invest the Deposit in an interest-bearing account of a Canadian chartered bank or trust company to be disbursed in accordance with the following provisions:
  - (a) if the purchase and sale of the Purchased Assets is completed in accordance with the terms hereof, then the Deposit plus all interest earned thereon shall be released from trust and applied towards payment of the Purchase Price;
  - (b) if the purchase and sale of the Purchased Assets is not completed by October 31, 2015 for any reason other than (i) the failure or refusal of the Court to issue the Court Approval or (ii) the failure of the Purchased Assets to meet the Quality Standards, then the Deposit plus all interest thereon shall be released from trust and retained by the Monitor; and
  - (c) if the purchase and sale of the Purchased Assets is not completed by October 31, 2015 solely as a result of (i) the failure or refusal of the Court to issue the Court Approval or (ii) the failure of the Purchased Assets to meet the Quality Standards, then the Deposit plus all interest thereon shall be released from trust and returned to the Purchaser.
3. Quality Testing of Purchased Assets. The Purchaser shall be permitted, at its sole cost, to test the quality of the Purchased Assets (the "**Quality Testing**") to confirm that the Purchased Assets comply with the Quality Standards. The Sellers shall provide the Purchaser with reasonable access to and across the Port Facility, in order to allow and facilitate such Quality Testing. The Purchaser acknowledges that the Sellers shall not in any way have any responsibility or liability in connection with the Quality Testing. If the Purchaser fails to conduct the Quality Testing and/or fails to reject the Purchased Assets on the basis that they do not meet the Quality Standards by October 15, 2015, then the Purchased Assets shall be deemed to have met the Quality Standards for all purposes hereunder including Section 1(ii).
4. Risk of Loss. Title to, risk of loss of, or damage to, any of the Purchased Assets shall pass to the Purchaser upon payment of the Purchase Price, notwithstanding that the Sellers may continue to maintain physical possession of the Purchased Assets until such time as such Purchased Assets are removed by the Purchaser from the Port Facility.
5. As-Is, Where-Is. THE PURCHASED ASSETS ARE SOLD ON AN "AS IS, WHERE IS" BASIS, "WITH ALL FAULTS", AT PURCHASER'S OWN RISK AND PERIL AND WITHOUT RECOURSE. THE SELLERS MAKE NO, AND SPECIFICALLY DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES WHATSOEVER WITH RESPECT TO THE PURCHASED ASSETS, WHETHER LEGAL OR CONVENTIONAL, INCLUDING, BUT NOT LIMITED TO, AS TO THE PHYSICAL CONDITION, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, TITLE, PHYSICAL CHARACTERISTICS, ENVIRONMENTAL CONDITION, EXISTENCE OF LATENT DEFECTS, QUALITY, OR ANY OTHER ASPECT OR CHARACTERISTIC THEREOF. FOR CERTAINTY AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE PARTIES HEREBY AGREE TO EXCLUDE ALTOGETHER THE EFFECT OF THE LEGAL WARRANTY PROVIDED FOR BY ARTICLE 1716 OF THE *CIVIL CODE OF QUÉBEC* AND AGREE THAT THE PURCHASER IS PURCHASING THE PROPERTY AT ITS OWN RISK WITHIN THE MEANING OF ARTICLE 1733 OF THE *CIVIL CODE OF QUÉBEC*.



6. Removal of Purchased Assets. The Purchaser shall be entirely responsible for removing the Purchased Assets from the Bunker "C" fuel tanks (the "Tanks") at the Sellers' port facility located in Pointe-Noire, Québec in the Bay of Sept-Iles (the "Port Facility"), transferring the Purchased Assets onto vessels which shall be under the Purchaser's management and control, transporting the Purchased Assets offsite and supplying all the equipment, personnel and materials required to carry out the foregoing. The Purchaser acknowledges that the Sellers shall not in any way have any responsibility or liability in connection with the removal, transfer and transportation of the Purchased Assets. The Purchaser shall begin the removal of the Purchased Assets by no later than 48 hours after the Purchase Price and applicable sales taxes have been delivered to the Monitor in accordance with Section 1. Without limitation to any other rights or remedies of the Sellers whether contained herein or otherwise at law, if the Purchaser has not removed all of the Purchased Assets from the Tanks and loaded same onto vessels by no later than the 70<sup>th</sup> day following the issuance of the Court Approval, at the election of the Sellers, title to any Purchased Assets remaining in the Tanks at such time shall revert to the Sellers.
7. Clean-up. The Purchaser warrants that once the Purchased Assets are entirely removed from the Tanks, it will immediately proceed to clean the Tanks and Tank lines, in accordance with all applicable industry standards and applicable law, and provide the Sellers with written confirmation from a third-party consultant with expertise in fuel tank clean-up acceptable to the Sellers that the Tanks and Tank lines are entirely free of fuel oil and other petroleum products, substances and contaminants and are in a condition that permits their use in accordance with all applicable industry standards and applicable law. The Purchaser shall remove the Purchased Assets in their entirety from the Tanks and entirely clean the Tanks and Tank lines and provide the aforementioned evidence of clean-up by no later than the 70<sup>th</sup> day following the issuance of the Court Approval, unless otherwise agreed to with the Sellers.
8. Access. The Sellers shall co-operate with the Purchaser, and provide the Purchaser with reasonable access to and across the Port Facility, in order to allow and facilitate the removal, transfer and transport of the Purchased Assets and the clean-up of the Tanks as provided hereunder.
9. Compliance with Laws. Purchaser warrants that the Quality Testing, removal, transfer and transport of the Purchased Assets will be carried out in full and complete compliance with all applicable laws and regulations, including but not limited to, environmental, health and safety and workers compensation laws and regulations applicable to the handling and transfer of fuel products as well as with all applicable policies, procedures, rules and other conditions of the Sellers, including those relating to the environment and health and safety. The Purchaser shall be entirely liable towards the Sellers for any acts or omissions of its subcontractors and shall ensure that any subcontractors retained by the Purchaser comply with the Purchaser's obligations under this Agreement.
10. Site Safety Measures. The Purchaser agrees to take all necessary and reasonable health and safety precautions for its employees, subcontractors and other persons accessing the Port Facility, including to control hazards, provide a safe working environment and take the best reasonably possible precautionary measures against accidents.
11. Environmental Obligations. The Purchaser shall be entirely responsible for cleaning up any spills of fuel oil, other substances or materials or any other environmental incidents that occur during the Quality Testing, removal, transfer and transport of the Purchased Assets and warrants that it will restore the Port Facility to the same condition it was in on the date on which the Purchaser first accessed the Port Facility.



12. Insurance. Without limiting the Purchaser's commitment to indemnify, defend and hold harmless the Sellers against any liability, as provided hereunder, Purchaser shall obtain and maintain, as of the date of execution of this Agreement and for a period of one year after the Purchaser has satisfied its clean-up obligations as provided under this Agreement, liability insurance from an insurance company considered satisfactory by Sellers which includes but is not limited to employer's liability, general liability, public liability, property damage liability, environmental liability, marine transport liability and contractual liability in an amount not less than \$5,000,000 per occurrence for bodily injury, death and property damage, including liability for goods and deprivation of use of such goods and liability for environmental damage with regard to the Purchaser, its subcontractors and their respective employees and agents. Purchaser shall also provide an insurance certificate naming the Sellers as additional insureds under such policy, a copy of which certificate shall be given to the Sellers upon the execution of this Agreement.
13. Release and Indemnity. The Purchaser hereby releases and discharges the Sellers from liability for and assumes the risk of loss of or damage to persons or property as may be related to the Quality Testing, removal or any use or resale of the Purchased Assets. The Purchaser shall indemnify, defend and hold harmless the Sellers and their respective officers, employees, directors, assigns, agents and representatives from and against any and all claims, causes of action, damages, claims for damages, liability, loss or expense, including attorney's fees and expenses of litigation, arising out of or in any way related to (i) any breach of the terms and provisions of this Agreement by the Purchaser; and (ii) the Purchaser's Assets or their Quality Testing, removal, transfer or transport on and after the date hereof, including, but not limited to, all claims for loss of or damage to persons or property caused by any use of the Purchased Assets.
14. Binding on Successors; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors in interest and permitted assigns. This Agreement is not intended to confer any rights or remedies upon any person other than the parties hereto and their successors in interest and permitted assigns, including any trustee in bankruptcy appointed with respect to the Sellers or its property.
15. Counterparts. This Agreement may be executed in any number of counterparts and by the undersigned in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any of the undersigned by facsimile or similar electronic means shall be as effective as delivery of a manually executed copy of this Agreement by such undersigned.
16. Governing Law. This Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the province of Québec and the federal laws of Canada applicable therein.
17. Time of the Essence. Time shall be of the essence of this Agreement and each of its provisions.
18. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of enforceability of such provision in any other jurisdiction.



19. **Mode of Giving Notice.** Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(a) if to the Sellers:

c/o **Cliffs Québec Iron Mining ULC**  
1155 Robert Bourassa Boulevard (formerly University Street)  
Suite 508  
Montréal, QC  
H3B 3A7

Attention: **James Graham**  
*General Counsel and Secretary*

- and -

Attention: **Clifford T. Smith**  
*Executive Vice President*

E-mail: [James.Graham@CliffsNR.com](mailto:James.Graham@CliffsNR.com) / [Clifford.Smith@CliffsNR.com](mailto:Clifford.Smith@CliffsNR.com)

with a copy (which shall not constitute notice) to:

**Blake, Cassels & Graydon LLP**  
199 Bay Street, Suite 4000  
Commerce Court West  
Toronto, ON  
M5L 1A9

Attention: Thomas A. McKee / Milly Chow

E-mail: [tom.mckee@blakes.com](mailto:tom.mckee@blakes.com) / [milly.chow@blakes.com](mailto:milly.chow@blakes.com)

(b) if to the Purchaser, to:

c/o **CDC Exports**  
551, rue Notre-Dame  
Berthierville, QC  
J0K 1A0

Attention: **Melanie Trottier**  
*President - Owner*

E-mail: [Melanie.Trottier@cdcexport.com](mailto:Melanie.Trottier@cdcexport.com)

with a copy (which shall not constitute notice) to:

**Paul Yanakis, Avocat**  
1300, rue Notre-Dame

C.P. 1150  
Berthierville, QC  
J0K 1A0

Attention: Paul Yanakis

E-mail: [paul.yanakis@bellnet.ca](mailto:paul.yanakis@bellnet.ca)

(c) and in either case, with a copy to the Monitor, to:

**FTI Consulting Canada Inc.**  
TD South Tower, 790 Wellington Street West  
Toronto Dominion Centre, Suite 2010  
Toronto, ON  
M5K 1G8

Attention: Nigel Meakin

E-mail: [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com)

- and -

**Norton Rose Fulbright Canada LLP**  
1 Place Ville Marie  
Suite 2500  
Montréal, QC  
H3B 1R1

Attention: Sylvain Rigaud

E-mail: [sylvain.rigaud@nortonrosefulbright.com](mailto:sylvain.rigaud@nortonrosefulbright.com)

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 PM Eastern on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.


20. Change of Address. Any Party may from time to time change its address under this Section 19 by notice to the other Party given in the manner provided by this Section 19.

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement as of the day and year first above written.


**PURCHASER:**

**9108-7189 QUEBEC INC. (doing business as CDC Exports)**

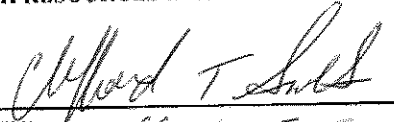
By:   
Name: Melanie Trottier  
Title: President - Owner

**SELLERS:**

**WABUSH IRON CO. LIMITED**

By:   
Name: Clifford T. Smith  
Title: President

**WABUSH RESOURCES INC.**

By:   
Name: Clifford T. Smith  
Title: President

SCHEDULE "A"

Purchased Assets

All of the remaining "Bunker C" type fuel oil contained in the fuel tanks at the Sellers' port facility located in Pointe-Noire, Québec in the Bay of Sept-Iles.

W.D. [Signature]



## SCHEDULE "B"

### Quality Standards

1	Kinematic Viscosity @ 122°F	ASTM D-445/2161	300 SSF	Maximum
2	Asphaltenes	ASTM D-6530	6 %	Maximum
3	Gross heat of combustion	ASTM D-240	182 000 BTU/gal Imp.	Minimum
4	API Gravity @ 60°F	ASTM D-1298	10	Maximum
5	Density @ 15°C	ASTM D-1298	1000 kg/m <sup>3</sup>	Minimum
6	Flash point	ASTM D-93 B	150 °F	Minimum
7	Pour point	ASTM D-97	45 °F	Maximum
8	Water by distillation	ASTM D-95	0.5 %	Maximum
9	Sediments by extraction	ASTM D-473	0.15 %	Maximum
10	BS & W	ASTM D-1796	1.0 %	Maximum
11	Ash	ASTM D-482	0.15 %	Maximum
12	Sulphur	ASTM D-4294	1.5 %	Maximum
13	Vanadium	ASTM D-5363	200 PPM	Maximum
14	Sodium	ASTM D-5363	45 PPM	Maximum
15	Iron	ASTM D-5363	45 PPM	Maximum
16	Compatibility	ASTM D-4740	1	