

CHOW, MILLY

From: GORDON, ANDREW
Sent: Monday, April 13, 2015 10:36 PM
To: Ian Goldberg (GoldbergI@bennettjones.com); MissetichDannL@bennettjones.com
Cc: Christopher Doucet (DoucetC@bennettjones.com); CHOW, MILLY; POLLOCK, ANDREW
Subject: Summary of Material Terms
Attachments: TOR_2024-#12770305-v3-Summary_of_Material_Terms_of_Acquisition_Proposal.DOCX

Ian and Linda,

Please find attached a summary of the material terms of the proposal that has been received.

Best,
Andrew

Andrew Gordon
Partner
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Summary of Material Terms of Acquisition Proposal

Reference is made to the share purchase agreement dated as of March 22, 2015 between Cliffs Quebec Iron Mining ULC, Cliffs Netherlands B.V, Cliffs Greene B.V., the Additional Sellers (as defined therein), 9201955 Canada Inc. and Noront Resources Ltd. (the "**Purchase Agreement**"). Unless otherwise required by the context, capitalized terms that are not otherwise defined in this summary have the respective meanings set forth in the Purchase Agreement.

Cliffs has received an Alternative Proposal. The proposed purchaser has delivered an executed share purchase agreement (based upon the Purchase Agreement). Based on our preliminary review of the proposed purchase agreement, the following list sets out the material differences that we have noted between the proposed purchase agreement and the Purchase Agreement (other than minor conforming changes and revisions to cross references).

- The purchase price is USD million in cash payable in full on closing.
- Upon execution of the proposed purchase agreement the purchaser would pay a cash deposit to the monitor of USD\$500,000.
- The closing conditions relating to the purchaser's financing and loan documentation have been deleted in their entirety. Section 6.13, relating to the purchaser's financing and loan documentation, has also been deleted in its entirety. In short, there is no financing contingency associated with the closing.
- An additional representation and warranty of the purchaser has been added whereby the purchaser represents and warrants that it has cash on hand or available or committed funds in an amount sufficient to satisfy the payment of the purchase price on the closing date.
- The mutual closing condition relating to Required Consents has been deleted in its entirety.
- Section 7.1(d) has been deleted in its entirety.
- The ability of the sellers to terminate the proposed purchase agreement in order to proceed with an Alternative Transaction has been deleted in its entirety. The expense reimbursement mechanism set forth in Section 10.2(a) has also been deleted in its entirety.
- A mutual confidentiality covenant has been added whereby each party agrees not to disclose any confidential information of the other party and to receive confidential information only for the purposes of evaluation in connection with the transactions contemplated by the purchase agreement. The confidentiality covenant survives for two years following the earlier of (a) the termination of the purchase agreement and (b) closing.

In addition, we note that the proposed purchaser has indicated in its covering letter (a) that closing would occur as soon as possible after the approval and vesting order has been obtained, and (b) that it is the proposed purchaser's intention to provide impacted First Nations communities with the opportunity to participate through a direct or beneficial equity interest in the acquisition company. We also note that the proposed purchaser has provided evidence to the sellers of its ability to satisfy the purchase price in full at closing, and the sellers are reviewing same with the monitor.

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