

CHOW, MILLY

From: De Girolamo, Carlo <carlo.degirolamo@moelis.com>
Sent: Thursday, April 16, 2015 4:54 PM
To: Mohammad Al Zaibak; Abitan, Sandra
Cc: Brown, James; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY
Subject: RE: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Mohammad,

Thank-you for your revised offer which Cliffs and Moelis carefully assessed with Blakes, the Monitor and the Monitor's counsel. A revised offer was also submitted by Noront which Cliffs determined in good faith, after consultation with Blakes, Moelis, the Monitor and the Monitor's counsel, to be superior in accordance with the process outlined on Tuesday evening. Cliffs will now be working to conclude a transaction with Noront.

We, of course, thank-you very much for participating in this process and your interest in the Chromite assets.

Regards,
Carlo

From: Abitan, Sandra [mailto:SAbitan@osler.com]
Sent: Thursday, April 16, 2015 11:19 AM
To: De Girolamo, Carlo; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY
Cc: Mohammad Al Zaibak; Brown, James
Subject: RE: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Carlo,

Attached please find an updated letter from Scotia Bank which is self-explanatory. Accordingly, you now have evidence of our client's ability to access all necessary funds to complete and close the transaction as set forth in its offer. We have now answered all of your enquiries and provided you with everything you need to assess our client's offer. While we still cannot understand the need for additional time to consider the offer(s), our client has instructed us to advise you that its offer remains open for acceptance until 2 p.m. today.

Regards,

Sandra

OSLER

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From: De Girolamo, Carlo [<mailto:carlo.degirolamo@moelis.com>]
Sent: Thursday, April 16, 2015 12:21 AM
To: Abitan, Sandra; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY
Cc: Mohammad Al Zaibak
Subject: RE: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Sandra,

We thank you for your email. The request for an extension to 2:00 p.m. tomorrow is at the Sellers' request, not at Noront's request. The Sellers' need to exercise proper diligence in their review of the bids and are seeking clarification and/or more information in the exercise of that diligence. They also require reasonable time to properly consult with Moelis and the Monitor as part of that process.

With respect to the funding capacity, is there any additional information that CDMC can provide of the approximate US\$2 million of holdings that will be liquidated?

Regards,
Carlo

From: Abitan, Sandra [SAbitan@osler.com]
Sent: Wednesday, April 15, 2015 10:49 PM
To: De Girolamo, Carlo; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY
Cc: Mohammad Al Zaibak
Subject: RE: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Hello,

We have reviewed your email with our client. Your questions are clear and unambiguous as are the terms of CDM's offer. Osler can confirm that we hold approximately US\$950,000 in our trust accounts in connection with the transaction available for disbursement upon direction, in addition to the amounts evidenced by the financial institution letters previously provided. Accordingly, you now have evidence of all amounts required to be paid at closing. As for the balance, our client will require some time to liquidate certain holdings since our offer in this last-minute auction process exceeded CDM's previously contemplated purchase price represented in the April 13 offer. It is in fact possible that the balance will be available before the 30 day payment date and in fact even possible that this amount will be paid at closing.

We see no reason for CDM's offer to be discounted in any way for the additional amounts, particularly given the strength of the financing documentation already provided to Cliffs and that the request has come in at such a late hour. To mitigate any residual concerns, CDM has agreed to provide at closing (to the extent the funds cannot be paid at closing) security in the purchased assets with respect to the additional amounts. In our view, Cliffs has sufficient information to make a decision. We trust that Cliffs isn't seeking to delay the process to accommodate a request from Noront, since they have had ample opportunity to prepare for the possibility of a superior proposal.

Given the process to date, our client is understandably uncomfortable with the lengthy request that exceeds the expectations previously set by you regarding timing of a decision. Our client is particularly concerned since the

issue of additional financial confirmation does not appear to justify such a lengthy delay in Cliffs' decision. Could you please provide comfort to CDM regarding the necessity for this request and provide assurances that all bidding is complete and no further bids, solicitations, or negotiations of any kind will be allowed?

CDM's offer is clear. It is based on the deal document previously negotiated by Cliffs (though with less conditionality). Given the inclusion of the superior proposal "out" in the Noront SPA, Noront was well aware of the possibility of a higher bid. The only change in the CDM offer presented on April 13 is a material increase in purchase price payable to Cliffs – we see no reason for Cliffs to delay a decision in favour of CDM. However, if you do have further questions, please forward them immediately. Our client is ready and willing to answer all questions this evening.

As you can appreciate, CDM has expended significant time, energy and resources to put forward its proposal in the context of an additional process, which was certainly not contemplated nor necessary given the terms of the deal Noront negotiated and signed. We and our client would appreciate that this matter be resolved this evening.

We await your response to our concerns.

Thank you.

Sandra

From: De Girolamo, Carlo [<mailto:carlo.degirolamo@moelis.com>]

Sent: Wednesday, April 15, 2015 8:48 PM

To: Abitan, Sandra; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY

Cc: Mohammad Al Zaibak

Subject: RE: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Sandra,

The Sellers are still reviewing the bids in consultation with Moelis and the Monitor and will need to seek certain clarifications in respect of the bids. In respect of the CDMC offer, we had previously received documentation relating to CDMC's financial resources in support of its ability to fund the purchase price contained in its April 13, 2015 offer. However, with the increased purchase price in this new offer, that documentation is no longer sufficient. Please provide us asap with documentation to support the ability of CDMC to fund the purchase price and an explanation of the reason for the deferral of the US\$2MM of the purchase price. There may be additional clarifications that we will be seeking from you as we complete our review of the CDMC offer.

Your email indicated an offer deadline of 9:00 p.m. (Cleveland time) tonight. However, in light of the clarifications and additional information required to properly review CDMC's bid, we ask you to confirm that such deadline is extended until 2.00 p.m. tomorrow, April 16, 2015. If you believe that CDMC will require more time to provide us the requested information, please advise us asap. Time is of the essence.

Regards.
Carlo

From: Abitan, Sandra [SAbitan@osler.com]

Sent: Wednesday, April 15, 2015 4:51 PM

To: De Girolamo, Carlo; Meakin, Nigel; Rigaud, Sylvain; CHOW, MILLY

Cc: Mohammad Al Zaibak

Subject: In the matter of the CCAA Proceedings of Cliffs Quebec Iron Mining ULC et al. - SALE OF CHROMITE ASSETS

Hello,

I am writing to you on behalf of our client, Canadian Development and Marketing Corporation ("CDM") with respect to its offer to acquire all of the assets related to Cliff's Chromite Project ("Project") set forth in letters delivered to you on April 13, 2015 and April 15, 2015. Notwithstanding our client's disappointment with its treatment in this process, CDM is willing to overlook the process issues it has encountered and submit a new offer to purchase the Project assets on the same term and conditions set forth in its offer letters (including for greater certainty the form of Share Purchase Agreement provided with our client's letter of April 13, 2015), except that the purchase price proposed by CDM is hereby amended to be US\$ _____, the whole as appears from the executed Share Purchase Agreement attached hereto. This offer is open for acceptance until **9:00 p.m.** (Cleveland time) on April 15, 2015, following which time the offer will be null and void.

I urge you to carefully consider CDM's offer. Cliffs has already concluded that the previous offer is, or could reasonably be expected to lead to, a Superior Proposal. In light of the high purchase price, lack of conditionality and involvement of the affected First Nations in CDM's offer, there can be no doubt that CDM's offer presents a credible and superior proposal for the Project assets. CDM is fully prepared to engage with Cliffs to complete the transaction in an expedited manner, but expects to be treated fairly and appropriately in this process. We look forward to hearing from you.

Regards,

Sandra

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