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Quebec City, September 14, 2016

“By Email”

Mr. Aryo Shalviri
 Blake, Cassels & Graydon LLP
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto, ON M5L 1A9

Re: Settlement Agreement to intervene between Mason Graphite Inc.
 and Quinto Mining Corporation

Mr. Shalviri,

We are the attorneys acting on behalf of Mason Graphite Inc. (“Mason”), which has instructed us to send you the present letter, following your various exchanges with Mr. Peter McCague, legal advisor to Mason, in the above mentioned file.

This letter is sent to you in your capacity as attorneys of FTI Consulting Canada Inc. (“FTI”), acting itself as monitor of Quinto Mining Corporation (“Quinto”) with respect to proceedings under the Companies’ Creditors Arrangement Act (the “CCAA”).

On April 5, 2012, Mason and Quinto entered into a purchase agreement, under which Mason purchased from Quinto 215 mining claims located in the vicinity of Lac Guéret, Registration Division of Saguenay, Québec (the “Purchase Agreement”). The purchase price under the Purchase Agreement was USD \$15,000,000, of which a portion was deferred and conditional upon the earlier of the passage of certain time periods, the completion of a feasibility study or the achievement of commercial production of the Mining Claims. As of the date hereof, Mason remains indebted to Quinto for a portion of that deferred purchase price, in the amount of USD \$5,000,000 (the “Deferred Purchase Price”).

From January 12, 2016 to August 22, 2016, Mason and FTI exchanged various emails reporting offers on the early repayment of Deferred Purchase Price. On August 16, 2016, Mr. Nigel Meakin, Senior Managing Director of FTI, presented an offer to Mason on behalf of Quinto, under which it offered to settle completely and finally the Deferred Purchase Price due by Mason to Quinto, for a final payment of USD \$4,000,000.

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This settlement offer was subject to the following conditions:

1. Its acceptance by Mason before 5 p.m. eastern time on Monday, August 22, 2016;
2. The execution of a definitive settlement agreement before September 2, 2016;
3. The issuance by the Québec Superior Court (the “Court”) of an order approving the settlement agreement under the CCAA, if necessary; and
4. The payment in full of the amount of USD \$4,000,000 by no later than September 30, 2016 (or three (3) business days after the issuance of the order of the Court approving the settlement agreement, if deemed necessary).

On August 22, 2016, before 5 p.m. eastern time, Mason accepted the offer as outlined by FTI and agreed to pay the amount of USD \$4,000,000, in full and final settlement of the Deferred Purchase Price.

In the days following the offer by FTI, acting as monitor of Quinto, and its acceptance by Mason, you and Mr. McCague exchanged drafts of a settlement agreement and mutual release agreement (the “Draft Settlement Agreement”). On September 1st, 2016, Mr. McCague sent you a final version of the Draft Settlement Agreement. That final draft was sent by Mason prior to the deadline set by FTI in its August 16, 2016 offer.

On September 6, 2016, you sent Mr. McCague a slightly revised version of the Draft Settlement Agreement, under which you accepted all of the changes proposed by Mason, with the exception of minor adjustments relating to dates. Mason was in acceptance with that final draft and was prepared to execute it.

However, in a subsequent email sent on September 6, 2016, you advised Mr. McCague that after having considered a recent private placement offering by Mason, Quinto was no longer prepared to proceed with the execution of the Draft Settlement Agreement.

Referring to the offer by FTI action on behalf of Quinto, duly accepted by Mason, it is our position that on August 22, 2016, Mason and Quinto entered into a binding contract regarding payment of USD \$4,000,000 in full and final settlement of any amounts owed to Quinto. The only remaining suspensive conditions to that contract were the execution of a definitive settlement agreement and the issuance of an order by the Court, approving the agreement. Those suspensive conditions were to be satisfied by each of Mason and Quinto in a reasonable manner and in good faith, all according to the provisions of the *Civil Code of Québec*.

By terminating the contract entered into by Mason and Quinto following the announcement of a private placement offering by Mason, we are of the opinion that Quinto acted in an excessive and unreasonable manner, and therefore contrary to the requirements of good faith.

Consequently, Quinto Mining Corporation is hereby requested to enter into and execute the Draft Settlement Agreement, substantially in the form of the draft sent by you on September 6, 2016, within five (5) days of receipt of this letter, and to present a motion seeking the

Court issuance of an order approving the executed Draft Settlement Agreement no later than on September 23, 2016.

If your client fails to do so, we have been instructed to take all necessary legal procedures against Quinto, without further notice or delay, including but not limited to seeking a motion before the Court to enforce the contract entered into by and between Mason and Quinto on August 22, 2016.

Finally, please note that all future communications by our firm regarding this file will be in French.

Sincerely,

LAVERY, DE BILLY



Louis Rochette, Adm.A.
Partner

LR / mfl

Brunet Mélanie

De: Rochette Louis
Envoyé: 14 septembre 2016 09:18
À: 'aryo.shalviri@blakes.com'
Objet: Settlement Agreement to intervene between Mason Graphite Inc. and Quinto Mining Corporation
Pièces jointes: Formal notice_2016-09-14_8506258_1.PDF

Mr. Shalviri,

Please find attached a letter regarding the file in subject.

Best regards,

LOUIS ROCHETTE, Adm.A.
PARTNER
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LROCHETTE@LAVERY.CA * VCARD * PROFILE

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NO.: 500-11-048114-157

SUPERIOR COURT
(Commercial Chamber)
DISTRICT OF MONTRÉAL

**N THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENTS ACT (R.S.C.
1985 c. C-36) AS AMENDED:**

**BLOOM LAKE GENERAL PARTNER LIMITED,
8568391 CANADA INC.,
CLIFFS QUÉBEC IRONG MINING ULC.,
QUINTO MINING CORPORATION,**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP,
BLOOM LAKE RAILWAY COMPANY,
Mis-en-cause**

Et al.

EXHIBIT R-11

CERTIFIED TRUE COPY

BL 1332
Dominique Vallières 416248-00023

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