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VIA E-MAIL

Reference: 11573/374

Twin Falls Power Corporation Limited

c/o Shawn Kavanaugh
Cox & Palmer LLP
Suite 1000 Scotia Centre
235 Water Street
St. John's, NL A1C 1B6

RE: Twin Falls Power Corporation Limited ("Twinco")

Dear Shawn:

We are counsel to Wabush Resources Inc. ("Wabush Resources") and Wabush Iron Co. Limited ("Wabush Iron", together with Wabush Resources, "Wabush"), as well as to the other parties who are subject to the proceedings (Wabush Resources and Wabush Iron, together with the other parties, the "CCAA Parties") commenced under *Companies' Creditors Arrangement Act* (the "CCAA" and the proceedings the "CCAA Proceedings") before the Québec Superior Court in Montréal (the "CCAA Court"). FTI Consulting Canada Inc. was appointed monitor in the CCAA Proceedings (the "Monitor").

During the CCAA Proceedings, the CCAA Parties have sold of substantially all of its assets. On July 31, 2018, the Participating CCAA Parties (as defined therein), including Wabush, implemented a plan of compromise and arrangement dated as of May 16, 2019, as amended, restated and supplemented (the "Plan"), pursuant to which the net proceeds of such sales, other recoveries and remaining assets are to be distributed to the creditors of the Participating CCAA Parties in accordance with the terms and conditions of the Plan. Since the implementation of the Plan on July 31, 2018 and interim distribution to creditors in the late summer and early fall of 2018, the CCAA Parties, with the assistance of the Monitor, have been working to wind-down the estates of the CCAA Parties so that all remaining assets are monetized and the net proceeds thereof, together with all other net proceeds, can be finally distributed to their creditors as soon as possible. A significant majority of the creditors of Wabush are former employees of Wabush Mines who are anxious to receive their final distributions.

As you are aware, Wabush holds shares in Twinco (the "Wabush/Twinco Interest") representing an approximate 17% interest in Twinco. Twinco has not operated in almost 40 years and there is no reason why Twinco continues to exist. As admitted by Twinco in the August 6, 2018 letter from Twinco to Churchill Falls (Labrador) Limited ("CF(L)Co): "with the termination of Twinco's land leases and power purchase agreements and the expiry of the term of the Operating Lease between CF(L) Co and Twinco, Twinco no longer has any activity or purpose..."

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For many years prior to the CCAA filing of Wabush in May 2015, Wabush had sought to a distribution of the remaining cash held by Twinco and to wind up the company. After the CCAA filing, on behalf of the CCAA Parties, we continued those efforts, including on a call on May 3, 2019 with representatives of Twinco and CF(L)Co and Iron Ore Company of Canada ("IOC"), the other shareholders of Twinco (the "Shareholders' Call"). I have copied Jeannine Fitzgerald from CF(L)Co and Maurice McClure from IOC, who I recall participated on the Shareholders' Call, on this letter.

On the 2019 Shareholders' Call, we had discussed several options. The options proposed by Twinco would not lead to any recovery or proceeds for the Wabush /Twinco Interest. Instead, those options only perpetuated further delay and the continuation of the status quo. The status quo and further delays can no longer persist and the interests of Wabush and the continuing prejudice to its creditors cannot continue to be ignored; action needs to be taken as soon as possible to deal with the Wabush/Twinco Interest. The CCAA Parties believe it is just and equitable for Twinco to be wound up and dissolved and the cash and cash equivalents of approximately \$5.9 million be distributed to the shareholders and the CF(L)Co indemnity under the Operating Lease dated November 30, 1967, as amended (the "CF(L)Co Indemnity") be confirmed.

The CCAA Parties would like to work cooperatively with Twinco, CF(L)Co and IOC to find an acceptable resolution to monetize and dispose of the Wabush/Twinco Interest. However, if the parties are not able to come to a consensual resolution acceptable to the CCAA Parties and the Monitor, the CCAA Parties will have no alternative but to bring an application under Section 214 and/or Section 241 of the *Canada Business Corporations Act* ("CBCA") to seek a winding up and dissolution of Twinco and a declaration with respect to the CF(L)Co Indemnity and such ancillary and supplemental or alternative relief as is just and equitable.

Time is of the essence. We look forward to your response as soon as possible and would suggest that we schedule a meeting or conference call with representatives of Twinco, CF(L)Co, IOC, Wabush and the Monitor to be held at the latest during the week of January 23, 2020. The purpose of the meeting/call would be to finalize the parameters of a mutually acceptable resolution to avoid the CCAA Parties having to file an application under the CBCA. Please advise as to your availability.

Yours very truly



Milly Chow

MYC/
Enclosure

c: J. Graham, Wabush
B. Boucher, Blakes
N. Meakin, FTI
S. Rigaud, Norton Rose
M. McClure, IOC
J. Fitzgerald, Nalcor/CF(L)Co

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