

DEMAND CREDIT AGREEMENT

THIS AGREEMENT dated as of February 23, 2015 is made among **WABUSH IRON CO. LIMITED, WABUSH RESOURCES INC.**, as borrowers (collectively, the “**Borrowers**”, and “**Borrower**” means each of them) and **CLIFFS MINING COMPANY**, as lender (the “**Lender**”).

WHEREAS the Lender has agreed to provide a demand credit facility to the Borrowers on the terms and conditions set out herein.

WHEREAS the Borrowers are participants in the Wabush Mines Joint Venture (the “**JV**”), an unincorporated joint venture of the Borrowers, and desire to borrow hereunder for purposes of funding the operating and maintenance costs of the JV.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement (as defined below), the following terms have the meanings specified below:

“**Agreement**” means this demand credit agreement and all exhibits and schedules attached hereto, as the same may be amended, modified or supplemented from time to time.

“**Borrowing Request**” has the meaning set out in Section 2.2.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in Ohio or Newfoundland and Labrador are authorized or required by applicable Law to remain closed.

“**Closing Date**” means February 23, 2015, being the date on which this Agreement is executed and delivered by the parties hereto and all other conditions precedent under Section 4.1 have been satisfied or waived by the Lender.

“**Collateral**” means any and all property of the Borrowers (or any of them) with respect to which a Lien is expressed to be created in favour of the Lender under any Loan Document.

“**Credit Facility**” means the non-interest bearing demand credit facility up to a principal amount of US\$30,000,000 established pursuant to this Credit Agreement.

“**Funding Acknowledgement Agreement**” means the funding acknowledgement agreement dated as of November 7, 2014 among the Lender and the Borrowers as it may be amended, restated or supplemented from time to time.

“**JV**” has the meaning set out in the recitals hereto.

“**Laws**” means all federal, provincial, state, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any governmental authority binding on or affecting the person referred to in the context in which such word is used (including, in the case of tax matters, any accepted

practice or application or official interpretation of any relevant taxation authority); and “**Law**” means any one or more of the foregoing.

“**Lien**” means, (a) with respect to any asset, any mortgage, deed of trust, lien (statutory or otherwise), deemed trust, pledge, hypothec, hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect of title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such assets, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

“**Loan**” means any loan under the Credit Facility made by the Lender to the Borrowers pursuant to this Agreement.

“**Loan Documents**” means this Agreement, the Security Documents and any other document, instrument or agreement now or hereafter entered into in connection with this Agreement, as such documents, instruments or agreements may be amended, modified or supplemented from time to time.

“**Obligations**” means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description of the Borrowers (or any of them) to the Lender under or in connection with the Loan Documents, and any unpaid balance thereof.

“**Outstanding Principal Amount**” means, at any time, the outstanding aggregate principal amount of the Loans at such time.

“**Security Documents**” means the equipment security agreement dated as of the date hereof made by the Borrowers in favour of the Lender, the moveable hypothec dated as of the date hereof made by the Borrowers in favour of the Lender, and any and all other agreements, documents or instruments now or hereafter executed and delivered by any Borrower to the Lender as security for the payment and performance of all or part of the obligations of the Borrowers hereunder or under any other Loan Documents, as any of the foregoing may be amended, modified or supplemented from time to time.

“**Transactions**” means the execution, delivery and performance by the Borrowers of this Agreement and the other Loan Documents, the borrowing of the Loans and the use of the proceeds thereof.

“**US Dollars**” and “**US\$**” refer to lawful money of the United States of America.

1.2 Day Not a Business Day. In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

1.3 Time. All time references herein shall, unless otherwise specified, be references to Eastern Standard Time. Time is of the essence of this Agreement and the other Loan Documents.

1.4 Permitted Liens. Any reference in any of the Loan Documents to a permitted lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any permitted lien.

ARTICLE 2 THE CREDIT FACILITY

2.1 Loans.

(a) Subject to the terms and conditions set forth herein, the Borrower may request Loans under the Credit Facility from time to time during the period commencing on the Closing Date and ending on the date on which a demand is made pursuant to Section 2.1(b) up to an aggregate principal amount of US\$30,000,000, provided that the making of any Loan by the Lender shall be at the sole, absolute and unfettered discretion of the Lender (regardless of whether the conditions precedent under Sections 4.1 and 4.2 have been satisfied).

(b) The Outstanding Principal Amount, together with all other Obligations of the Borrowers under the Loan Documents, shall be due and payable on demand by the Lender. Upon such demand the Borrowers shall immediately pay to the Lender the amount of all Obligations then owing.

2.2 Borrowing Requests. To request a borrowing under the Credit Facility, the Borrowers shall notify the Lender of such request in writing (each, a "**Borrowing Request**"). Each Borrowing Request shall specify the the aggregate amount of the requested borrowing and the date of such borrowing, which shall be a Business Day.

2.3 Lender's Records. The Lender will maintain records evidencing (a) the amount owing hereunder from time to time, and (b) the amounts from time to time paid by the Borrowers to the Lender pursuant to this Agreement. The Borrowers agree that such records kept by the Lender will constitute conclusive evidence of the matters referred to above, absent manifest error; provided, however, that the failure of the Lender to make any entry or recording in such record, or any error in any such entry or recording, shall not limit or otherwise affect the obligations of the Borrowers under this Agreement or with respect to any amounts owed to the Lender.

2.4 Payment Terms. Each payment under this Agreement from a Borrower to the Lender shall be made in US Dollars and in immediately available funds by the Borrowers to the Lender by wire to the account of the Lender as directed on the date due. All amounts due under this Agreement shall be payable by the Borrowers without abatement, set-off or counterclaim for any reason whatsoever.

2.5 Right of Set-off by Lender. The Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all amounts owing by the Lender to or for the credit or account of any Borrower against any of the Obligations, irrespective of whether or not the Lender shall have made any demand under any Loan Document and although such Obligations may be unmatured. The rights of the Lender under this Section are in addition to any other rights and remedies (including other rights of set off) which the Lender may have.

2.6 Use of Proceeds. The proceeds of the Loans shall be used solely to fund the operating and maintenance costs associated with the JV.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each Borrower represents and warrants to the Lender that, as of the date of this Agreement:

(a) *Organization; Powers.* Each Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to

carry on its business as now and formerly conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

(b) *Authorization; Enforceability.* The Transactions are within each Borrower's corporate powers and have been or will be duly authorized by all necessary corporate and shareholder action, as applicable. This Agreement and the other Loan Documents have been duly executed and delivered by each Borrower and constitute legal, valid and binding obligations of each Borrower, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Borrowing. The making of the initial Loan hereunder is subject to the satisfaction (or waiver by the Lender in its sole discretion) of each of the conditions below:

(a) *Execution and Delivery of Loan Documents.* Each Borrower shall have duly authorized, executed and delivered this Agreement and all documents required hereunder, all in form and substance satisfactory to the Lender.

(b) *Perfection of Liens.* The Security Documents required to be delivered on the Closing Date shall have been registered (or arrangements for registration satisfactory to the Lender shall have been made) in all offices in which, in the opinion of the Lender or its counsel, registration is necessary or of advantage to perfect or render opposable to third parties the Liens intended to be created thereby. The Lender shall have received and be satisfied with the results of all personal property, bankruptcy and other searches conducted by the Lender and its counsel with respect to the Borrowers in all jurisdictions selected by the Lender and its counsel.

(c) *Other Documentation.* The Lender shall have received such other documents and instruments as are customary for transactions of this type or as it may reasonably request.

4.2 Lender's Absolute Discretion. Each of the parties hereto acknowledges and agrees that the satisfaction of any or all of the conditions precedent under Section 4.1 shall not be understood, construed or otherwise interpreted as creating an obligation of the Lender to make any Loan and that the making of any Loan shall be at the Lender's sole, absolute and unfettered discretion.

ARTICLE 5 POSTPONEMENT AND SUBORDINATION

5.1 Operating Expenses of Wabush Mines Joint Venture. Any and all reimbursement obligations of Wabush Resources Inc. to Wabush Iron Co. Limited under the Funding Acknowledgment Agreement or any other document or agreement in respect of Wabush Resources Inc.'s obligation to fund its share of Operating Expenses (as defined in the Funding Acknowledgment Agreement) of the Wabush Mines Joint Venture is hereby postponed and subordinated to, and made subject in right of payment to the prior payment in full in cash of, the Obligations.

ARTICLE 6 GENERAL PROVISIONS

6.1 Joint and Several Liability. The liability of the Borrowers under this Agreement is joint and several.

6.2 Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by e-mail in each case to the address as set forth on the signature pages herewith. Any party hereto may change its address or e-mail address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

6.3 Alteration. None of the terms or provisions of this Agreement may be amended, supplemented or otherwise modified except by a written instrument executed by the Lender and the Borrowers.

6.4 Waivers. No failure or delay by the Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by a Borrower therefrom shall in any event be effective unless the same shall be permitted in writing by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

6.5 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the Lender and its successors and assigns. No Borrower may assign or otherwise transfer any of its rights or obligations under this Agreement or any other Loan Document. The Lender may assign this Agreement and any of its rights or obligations under this Agreement or any other Loan Document.

6.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and such counterparts together shall be deemed to constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated as of the date hereof. Delivery of an executed original counterpart of a signature page of this Agreement by facsimile or other electronically scanned method of delivery shall be as effective as delivery of a manually executed original counterpart of this Agreement.

6.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein. Each party hereto agrees that any action or proceeding relating to this Agreement may (but need not) be brought in any court of competent jurisdiction in the Province of Newfoundland and Labrador, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such Newfoundland and Labrador court.

6.8 Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 6.1. Nothing in this Agreement shall affect the right of any party to this Agreement to serve process in any other manner permitted by Law.

6.9 Unenforceable Provisions. Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

6.10 Survival. All covenants, agreements, representations and warranties made by a Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any incorrect representation or warranty at the time any credit is extended hereunder, and shall

continue in full force and effect as long as the principal of any Loan or any other amount payable under this Agreement is outstanding and unpaid. All indemnities contained herein shall survive and remain in full force and effect, regardless of the consummation of the Transactions, the repayment of the Loans, the termination of this Agreement or any provision hereof.

6.11 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior proposals and agreements, whether oral or written, with respect to such subject matter.

[Signatures on the next following pages]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first above written.

CLIFFS MINING COMPANY, as Lender

200 Public Square, Suite 3300
Cleveland, Ohio 44114-2544

By: 
Name: Clifford T. Smith
Title: Executive Vice President

WABUSH IRON CO. LIMITED, as Borrower

1155 University Avenue, Suite 508
Montreal, Quebec H3B 3A7

By: 
Name: Clifford T. Smith
Title: President

1155 University Avenue, Suite 508
Montreal, Quebec H3B 3A7

WABUSH RESOURCES INC., as Borrower

By: 
Name: Clifford T. Smith
Title: President