

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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File: No: 500-11-048114-157

**IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED:**

**WABUSH IRON CO. LIMITED, WABUSH  
RESOURCES INC. & WABUSH LAKE RAILWAY  
COMPANY LIMITED**

Petitioners

- and -

**TACORA RESOURCES INC., MAGGLOBAL LLC,  
THE REGISTRAR OF DEEDS FOR THE PROVINCE  
OF NEWFOUNDLAND AND LABRADOR, THE  
MINERAL CLAIMS RECORDER FOR THE  
PROVINCE OF NEWFOUNDLAND AND  
LABRADOR, THE REGISTRAR OF MOTOR  
VEHICLES FOR THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR, and THE  
DIRECTOR OF COMMERCIAL REGISTRATIONS  
FOR THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR**

**Mises-en-cause**

- and -

**FTI CONSULTING CANADA INC.**

Monitor

**AFFIDAVIT OF LARRY LEHTINEN  
(Sworn June 19, 2017)**

I, LARRY LEHTINEN, of the City of Grand Rapids, in the State of Minnesota, MAKE  
OATH AND SAY:

1. I am the Chief Executive Officer of Tacora Resources Inc. (the "**Purchaser**") and MagGlobal LLC (the "**Parent**").

2. Unless otherwise stated herein, all facts set forth in this affidavit (the "**Affidavit**") are based upon: (a) my personal knowledge; (b) my experience as Chief Executive Officer of the Purchaser and the Parent; and (c) information provided to me by employees and authorized representatives and professionals of the Purchaser and the Parent, which I verily believe to be true. I am authorized to swear this Affidavit on behalf of the Purchaser and the Parent.

3. I swear this Affidavit in support of a motion (the "**Assignment Motion**") that I understand has been brought by Wabush Iron Co. Limited, Wabush Resources Inc. and Wabush Lake Railway Company Limited (collectively, the "**Vendors**") requesting entry of an order (the "**Assignment Order**") authorizing the assignment of certain contracts listed on Schedule "A" to the Assignment Order (the "**Assigned Contracts**") to the Purchaser pursuant to that certain Asset Purchase Agreement dated June 2, 2017 between the Vendors, the Purchaser and the Parent (the "**APA**"), the Assignment Order and section 11.3 of the *Companies' Creditors Arrangement Act* (Canada). Specifically, this Affidavit is submitted in order to demonstrate that the Purchaser would be able to perform the obligations under the Assigned Contracts should this Court approve the Assignment Motion and enter the Assignment Order.

4. The Purchaser is a special purpose acquisition vehicle that was incorporated under the laws of the Province of British Columbia for the purpose of consummating the transaction contemplated by the APA. The Parent is a limited liability corporation incorporated under the laws of the State of Delaware and is a processing technology company focused on serving the global iron ore industry. The Parent is privately owned and controlled by me and members of my family and is the sole holder of the Purchaser's voting common shares.

5. The Parent has a commitment for an equity subscription from Black River Capital Partners Fund (Metals and Mining A) LP and Black River Capital Partners Fund (Metals and Mining B) LP, two private investment funds controlled by Proterra Investment Partners LP (collectively, "**Proterra**"). Proterra is an alternative investment manager focused on private equity investments in the natural resource sectors of agriculture, food, and metals and mining, with offices in Minneapolis, London, Mumbai, Singapore, Shanghai, and Sydney.

6. Under the equity commitment, the funds controlled by Proterra would invest in common shares of the Purchaser in an amount that, together with concurrent subscriptions/contributions

by the Parent, would fully fund the Purchase Price, Cure Costs and Replacement Financial Assurance (each as defined under the APA). In addition, the Purchaser will utilize the funds invested by Proterra pursuant to the equity commitment for working capital purposes post-closing. The Purchaser expects that it will have adequate liquidity to satisfy its contractual obligations following closing.

7. The principals of the Parent and Proterra have significant experience in the mining industry. The Parent was created to serve global markets with the innovative magnetic separation technology originally used to capture weakly magnetic iron ore particles from waste materials left behind from historical iron mining operations. The principals of the Purchaser (Matthew Lehtinen, Joe Broking and I) have in excess of 50 years of combined experience and expertise in the global iron ore industry, including among other things, commodities marketing, financing, permitting, procurement and construction, as well as plant engineering, mineralogy, mining, plant optimization, direct iron reduction, project development, finance, marketing and executive management. This extensive experience, combined with the financial capacity described above, will enable the Purchaser to perform its obligations under the various agreements to be acquired under the APA transactions. In addition, the Purchaser has completed extensive due diligence with respect to the operations at the Scully Mine (as defined in the APA) and has a business plan for restarting operations at the Scully Mine.

8. The Purchaser is willing, able and motivated to honour and perform its obligations under the Assigned Contracts to be assigned to the Purchaser pursuant to the APA and the Assignment Order and would perform its obligations under the Assigned Contracts.

SWORN BEFORE ME at the City of  
Grand Rapids, State of Minnesota, on  
June 19, 2017.

  
Notary Public

  
LARRY LEHTINEN

