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Montreal, June 23, 2016

BY E-MAIL
WITHOUT PREJUDICE

Mtre Bernard Boucher
Blake, Cassels & Graydon L.L.P
1 Place Ville Marie
Suite 3000
Montreal QC H3B 4N8

RE : In the matter of the Plan of Compromise or Arrangement of : Bloom Lake
General Partner Limited & Als.
S.C.: 500-11-048114-157
Your reference: 11573/371
Our reference : 39724-1

Dear confrère,

This letter is further to a letter sent by Mtre Sylvain Rigaud, acting for the Monitor FTI Consulting Inc. dated May 19, 2016 by which the members of the service list were advised that all discussions with a potential buyer regarding the Wabush Mine had been terminated and that the Monitor would therefore pursue its consideration of liquidation proposals regarding the assets of the Wabush Mine.

As you know, our client MFC Industrial Ltd. ("MFC") has rights in the mining property as Sub-Landlord and also has certain reversionary rights regarding certain assets of Wabush Mines.

It has always been clear that your clients have no intention of restructuring their operations or ever restarting any mining operations at the Wabush Mines property. It has now also become clear that the process which was being pursued by the Monitor further to the court authorized SISP has also failed as far as the Wabush Mine itself is concerned. In the circumstances, we are now faced with a liquidation situation which is akin to a bankruptcy.

In the circumstances, we fail to understand what advantage your clients have in maintaining the Sub-Lease in force. Your client's Motion to interpret the terms of the Sub-Lease also appears to be moot if it will not be retaining the property or seeking to assign its rights under the Sub-Lease.

We believe it would be beneficial to all the stakeholders of the Wabush Mine that we undertake discussions regarding the immediate termination of the Sub-Lease and the exercise of our client's reversionary rights. This solution could allow the Monitor to receive payment for the assets that would be at least as advantageous as the liquidation proposals while respecting MFC's valid contractual rights.

Of course, this also requires that you discontinue your pending Motion regarding the interpretation of the terms of the Sub-Lease and that the amounts held in trust by the Monitor be paid to our client.

We therefore invite you to communicate with us without delay to discuss that possibility of concluding an agreement as described above, failing which, we will have no other choice but to make a motion to the Court requesting that the existing orders be varied, that the stay of proceedings be lifted partially in order to allow our client to proceed with the Motion to terminate the Sub-Lease and for further relief with respect to the SISP Process regarding liquidation offers.

In the meantime we have been instructed to contest any motions to authorize sales of assets which are subject to MFC's rights that could be made by the Wabush CCAA Parties or the Monitor.

We trust that your clients will consider our proposal and realize, at this point in the file, that it would be to the benefit of all parties if we proceeded as mentioned above.

We remain yours truly,

BCF LLP.

A handwritten signature in cursive script, appearing to read "Gary Rivard".

Gary Rivard

GR/me

c.c: Mtre Sylvain Rigaud - Norton Rose Fulbright