

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-048114-157

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

**BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING
CORPORATION, 8568391 CANADA
LIMITED, CLIFFS QUÉBEC IRON
MINING ULC, WABUSH IRON CO.
LIMITED AND WABUSH RESOURCES
INC.**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP, BLOOM LAKE
RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY
COMPANY AND WABUSH LAKE
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

**THIRTY-SEVENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Québec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.
2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended, restated or rectified from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.

3. The Bloom Lake Stay Period and the Wabush Stay Period have been extended from time to time and currently expire on June 30, 2017.
4. On April 17, 2015, Mr. Justice Hamilton J.S.C. granted an Order approving, as it relates to the Bloom Lake CCAA Parties, a sale and investor solicitation process (as may be amended from time to time, the “**SISP**”) involving the business and assets of the Bloom Lake CCAA Parties. The SISP was subsequently amended and restated to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings and was approved *nunc pro tunc* as it relates to the Wabush CCAA Parties pursuant to an Order granted June 9, 2015 (together with the April 17, 2015 Order, the “**SISP Order**”).
5. On June 22, 2015, Mr. Justice Hamilton J.S.C. granted an Order (the “**June 22 Rep Order**”) *inter alia*:
 - (a) Appointing Michael Keeper, Terence Watt, Damin Lebel and Neil Johnson as representatives (the “**Representatives**”) of the Salaried Members (as defined in the June 22 Rep Order); and
 - (b) Appointing Koskie Minsky LLP and Nicholas Scheib (collectively “**Representative Counsel**”) as legal counsel to the Representatives.
6. On November 5, 2015, Mr. Justice Hamilton J.S.C. granted an Order approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers (as amended, the “**Claims Procedure Order**”).
7. To date, the Monitor has filed thirty-six reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Thirty-Seventh Report (this “**Report**”), is to provide information to the Court with respect to:
 - (a) The April 24 Forecast, as defined in the Monitor’s Thirty-Fourth Report;

- (b) The motion (the “**Scully Sale Approval Motion**”) by WICL, WRI and Wabush Lake Railway Company (collectively, the “**Vendors**”) for the granting of:
- (i) An order (the “**Approval and Vesting Order**”) approving the sale of the Vendors’ right, title and interest in and to assets related to the Scully Mine (the “**Scully Mine Transaction**”) pursuant to the agreement dated as of June 2, 2017 (the “**Scully Mine APA**”) by and between the Vendors, Tacora Resources Inc. as purchaser (the “**Purchaser**”) and MagGlobal LLC as guarantor (the “**Parent**”) and to provide the Monitor’s recommendation thereon;
 - (ii) Certain Ancillary Relief, as hereinafter defined, contained in the proposed Approval and Vesting Order and to provide the Monitor’s recommendation thereon; and
 - (iii) The Assignment Order, as defined in the Scully Mine APA, *inter alia* assigning certain contracts to the Purchaser pursuant to section 11.3 of the CCAA and to provide the Monitor’s recommendation thereon.

TERMS OF REFERENCE

8. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties’ books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the “**Information**”).
9. Except as described in this Report:

- (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 10. The Monitor has prepared this Report in connection with the Scully Sale Approval Motion returnable June 26, 2017. The Report should not be relied on for other purposes.
- 11. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
- 12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Scully Mine APA, the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

EXECUTIVE SUMMARY

- 13. Capitalized terms used in the Executive Summary are as defined in the relevant section of the Report.
- 14. With respect to the request for the approval of the Scully Mine Transaction and the granting of the Approval and Vesting Order, the Monitor is of the view that:

- (a) The process that resulted in the execution of the Scully Mine APA was fair and reasonable in the circumstances;
 - (b) The consideration payable under the Scully Mine APA is fair and reasonable in the circumstances;
 - (c) The Scully Mine Transaction is the highest and best transaction resulting from the marketing of the Purchased Assets;
 - (d) There is no evidence to suggest that any viable alternative exists that would deliver a better recovery from the Purchased Assets for the creditors of the Vendors' estates; and
 - (e) The approval of the Scully Mine Transaction is in the best interests of the creditors of the Vendors and of the Vendors' stakeholders generally.
15. Accordingly, the Monitor supports the Vendors' request for approval of the Scully Mine Transaction.
16. With respect the request for the Assignment Order, the Monitor is of the view that:
- (a) Unless the counter-parties to the Assignment Order Contracts provide their consent to assign prior to the hearing of the Sale Approval Motion, the Assignment Order is necessary to effect the assignment of the Assignment Order Contracts, the assignment of which is a condition precedent to the Scully Mine APA;
 - (b) Subject to the Purchaser providing satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, it is appropriate for the Assignment Order Contracts to be assigned; and

- (c) The Approval and Vesting Order and the Assignment Order together provide mechanisms to ensure that the Cure Costs in relation to the Assignment Order Contracts will be remedied by the dates set out therein.
17. Accordingly, subject to the Purchaser providing satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, the Monitor supports the Vendors' request for the granting of the Assignment Order.

THE APRIL 24 FORECAST

18. Paragraph 18 of the Monitor's Thirty-Fourth Report stated:

“18. The Monitor has been assisting the CCAA Parties in the preparation of the April 24 Forecast. Completion of the April 24 Forecast has been delayed pending counsel to the CCAA Parties finalizing its forecast of legal costs for the period. The April 24 Forecast will be filed with the Court once it is completed.”

19. Paragraph 17 of the Monitor's Thirty-Sixth Report stated:

“17. Since the date of the Monitor's Thirty-Fourth Report, the Monitor has followed up several times regarding the forecast of legal costs for the period. Despite these efforts, the Monitor has not yet been provided a forecast of the CCAA Parties legal costs for its review and, accordingly, the April 24 Forecast has not yet been completed. Counsel to the CCAA Parties has informed the Monitor that the forecast of legal costs for the period will be provided by no later than May 31, 2017.”

20. Counsel to the CCAA Parties provided its forecast of legal costs, incorporating actual amounts to February 28, 2017, estimated amounts for March, April and May 31, 2017, and forecast amounts for June 2017, on June 7, 2017.

21. The April 24 Forecast has now been completed and is attached hereto as **Appendix A**. The April 24 Forecast shows a net cash inflow, before proceeds of asset realizations, of approximately \$4.5 million for the Bloom Lake CCAA Parties and of approximately \$1.0 million for the Wabush CCAA Parties in the period April 14 to June 30, 2017. The April 24 Forecast incorporates actual receipts and disbursements to June 9, 2017, and forecast receipts and disbursements thereafter and is summarized below:

	Bloom Lake CCAA Parties	Wabush CCAA Parties
	\$000	\$000
Receipts	7,191	5,264
Disbursements:		
Payroll & Employee Benefits		(125)
Contractors		(295)
Utilities		(18)
Other Operating Disbursements	(701)	(834)
Operating Cash Flows	6,490	3,992
Restructuring Professional Fees	(1,956)	(2,984)
Projected Net Cash Flow	4,534	1,008

22. The only items in the Bloom Lake CCAA Parties forecast are interest earned, insurance proceeds received, the final payment of amounts owing to Arcelor-Mittal in respect of the Mont-Wright Camp and legal and professional fees. Accordingly, and consistent with the January 20 Forecast, the forecast has not been presented on a weekly basis as such presentation would provide no relevant information.
23. The forecast for the Wabush CCAA Parties has been prepared assuming the status quo for the Wabush Mine without the completion of a sale or the abandonment of the property in the period. The key assumptions underlying the forecast are consistent with those used in the January 20 Forecast.

24. Of the \$0.2 million of combined aggregate net operating cash outflow in the April 24 Forecast that is forecast to occur after June 9, 2017, an estimated amount of approximately \$0.1 million relates to expenses already incurred. Similarly, of the approximately \$4.2 million of restructuring professional fees included in the April 24 Forecast that is forecast to be paid after June 9, 2017, an estimated amount of approximately \$3.5 million relates to amounts already incurred.

REQUEST FOR APPROVAL OF THE SCULLY MINE TRANSACTION

THE WABUSH MINE SALE PROCEDURE

25. As described in the Monitor's Thirty-Second Report, given the multiple parties expressing interest in the Wabush Mine Assets, the Wabush CCAA Parties, in consultation with the Monitor, determined that it would be appropriate to establish a formal procedure for the sale of the Wabush Mine Assets to ensure a fair and transparent process for all parties concerned and to aid the Court in assessing the factors that are to be considered by the Court in deciding whether to approve any transaction for the Wabush Mine Assets. Accordingly, the Wabush Mine Sale Procedure was developed by the Wabush CCAA Parties, in consultation with the Monitor, and was communicated to each of the four Interested Parties on February 27, 2017.
26. Updates on the Wabush Mine Sale Procedure were provided to the Court in the Monitors' Thirty-Third, Thirty-Fourth and Thirty-Sixth Reports and the confidential appendices thereto (collectively, the "**Confidential Appendices**").
27. As disclosed to the Court in the Confidential Appendices, two of the four Interested Parties participating in the Wabush Mine Sale Procedure submitted binding offers by the Bid Deadline. Neither MFC nor the other Interested Party submitted binding offers.
28. The two offers received by the Bid Deadline were the following:

- (a) An offer by Kami Mine Limited Partnership (“**Kami**”), a partnership of which the majority partner is Alderon Iron Ore Corp. (“**Alderon**”)¹, for a portion of the Wabush Mine Assets for the purpose of using the pit for the disposal of tailings from the proposed, but as yet undeveloped, Kami mine (the “**Kami Proposal**”); and
 - (b) An offer by the Purchaser for substantially all of the Wabush Mine Assets with a view to restarting operations at the Scully Mine (the “**Purchaser Proposal**”).
29. Accordingly, three potential options, each of which were carefully considered by the Wabush CCAA Parties in consultation with the Monitor, were available with respect to the Wabush Mine Assets following the Bid Deadline set by the Wabush Mine Sale Procedure:
- (a) Pursue the Kami Proposal;
 - (b) Pursue the Purchaser Proposal; or
 - (c) Disclaim the MFC Sub-Lease and abandon the balance of the Wabush Mine Assets.

¹ In the normal course, the Monitor would maintain confidential the names of unsuccessful bidders in a sale process. However, in this case Alderon itself issued a press release stating that it had submitted an offer for certain assets of the Scully Mine that would be required for the disposal of tailings produced from the Kami Project and disclosing the economic terms of the offer. Furthermore, in a motion filed with the Court on May 29, 2017, Kami disclosed that it had made both a non-binding proposal on December 21, 2016, and a binding offer on March 27, 2017.

30. The Kami Proposal contained a significant number of changes to the Form of Asset Purchase Agreement provided by the Vendors in the Wabush Mine Sale Procedure and was highly conditional, including conditions related to governmental approvals in respect of both the Scully Mine and the Kami mine project. The Kami Proposal did not contemplate a restart of mining operations at the Scully Mine but instead contemplated using the site for the disposal of tailing from the Kami mine if it is developed. Although Kami did not provide any specific timeline for the possible satisfaction of such conditions in response to questions from the Vendors with respect thereto, it was the view of the Vendors and the Monitor that the time required to satisfy such conditions would be significant. Furthermore, the economic terms of the Kami Proposal were clearly inferior to the economic terms of the Purchaser Proposal.

31. As reported in the confidential appendices to the Monitor's Thirty-Fourth Report, it was the Monitor's view that the Kami Proposal is simply not viable and that the abandonment of the Wabush Mine would likely be a better alternative for the estate than the Kami Proposal. The Wabush CCAA Parties concurred with the Monitor's view of the Kami Proposal. This view was informed by the significant degree of uncertainty as to whether the Kami Proposal could ever close, the significant period of time it would take to determine whether conditions could be satisfied and the carrying costs associated with the Scully Mine during such period.

32. While it was clear that a significant amount of negotiation would be required to convert the Purchaser Proposal to a mutually agreeable binding agreement, the Vendors, in consultation with the Monitor, determined that the Purchaser Proposal was the superior proposal received for a variety of reasons, including its economic terms and the lower conditionality of the Purchaser Proposal. In addition, completion of a transaction resulting from the Purchaser Proposal would be of benefit to stakeholders as a whole given the stated intent of the Purchaser to restart operations at the Scully Mine. Furthermore, the Purchaser Proposal was determined by the Vendors, in consultation with the Monitor, to be a superior option to the disclaimer of the MFC Sub-Lease and the abandonment of the balance of the Wabush Mine Assets.
33. Accordingly, the Vendors, in consultation with the Monitor commenced negotiations with the Purchaser, which negotiations ultimately resulted in the execution of the Scully Mine APA.

THE SCULLY MINE APA

34. Pursuant to the Scully Mine APA, a copy of which is attached hereto as **Appendix B**, the Purchaser will purchase all of the Vendors' right, title, and interest in and to the Purchased Assets, being those assets Related to the Business in respect of the Scully Mine as set out in Schedule "K" to the Scully Mine APA, but, for greater certainty, excluding the Excluded Assets.
35. The Purchase Price is the aggregate of:
- (a) \$2,050,000 (the "**Cash Purchase Price**");
 - (b) The agreed value of the Assumed Liabilities as set forth in Schedule "N" of the Scully Mine APA; and
 - (c) The agreed value of the Cure Costs payable by the Purchaser.

36. The “agreed value” of the Assumed Liabilities is nil. However, the Assumed Liabilities does not include the Environmental Liabilities for which the Purchaser will also become responsible as discussed below. While the aggregate amount of the Cure Costs has not been finally determined, based on the information currently available, the Cure Costs could be up to approximately \$18.8 million, as set out in Schedule “O” to the Scully Mine APA, plus the Accrual Cure Costs. Further information in respect of the Cure Costs is provided in the section of this Report dealing with the Vendors’ request for the Assignment Order.
37. In addition to the Purchase Price, the Purchaser will pay all applicable Transfer Taxes.
38. The Purchaser will also become responsible for the Environmental Liabilities pursuant to section 6.9 of the Scully Mine APA. The Environmental Liabilities include obligations for the reclamation of the Scully Mine site, a claim for which was filed by the Government of Newfoundland and Labrador (the “**Government**”) pursuant to the Claims Procedure Order in the amount of approximately \$49.7 million. Environmental Liabilities excludes any claims extinguished pursuant to the Claims Procedure Order.
39. Pursuant to the Wabush Mine Sale Procedure, on March 27, 2017, the Purchaser paid a deposit of \$750,000 to the Monitor on behalf of the Vendors.
40. Pursuant to section 8.1 of the Scully Mine APA, the obligation of the Purchaser to complete the Scully Mine Transaction is subject to the following conditions being fulfilled or waived by the Purchaser:

- (a) All consents necessary to assign the Assigned Contracts (other than the Additional Non-Assignment Order Assigned Contracts) to the Purchaser (or its Designated Affiliate, if applicable) shall have been obtained, or an Assignment Order shall have been issued and entered by the Court ordering the assignment of such Assigned Contracts where necessary consents have not been obtained, and any such Assignment Order shall not have been vacated, amended or stayed;
- (b) The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2 of the Scully Mine APA;
- (c) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of:
 - (i) Making any of the transactions contemplated by the Scully Mine APA illegal; or
 - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by the Scully Mine APA;
- (d) Each of the representations and warranties contained in Section 4.3 of the Scully Mine APA shall be materially true and correct:
 - (i) As of the Closing Date as if made on and as of such date; or
 - (ii) If made as of a date specified therein, as of such date;

- (e) The Vendors shall have performed in all material respects all covenants, obligations and agreements contained in the Scully Mine APA required to be performed by the Vendors on or before the Closing;
 - (f) The Required Regulatory Approval, being approval under the *Mining Act (Newfoundland and Labrador)*, shall have been obtained;
 - (g) The Approval and Vesting Order shall have been issued and entered by the Court on notice and to a service list reasonably acceptable to the Parties, and such Approval and Vesting Order shall not have been vacated, amended or stayed; and
 - (h) On or before the Replacement Financial Assurance Condition Date, now being June 25, 2017², the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance (the “**Purchaser’s RFA Condition**”).
41. Pursuant to section 8.2 of the Scully Mine APA, the obligation of the Vendors to complete the Scully Mine Transaction is subject to the following conditions being fulfilled or waived by the Vendors:
- (a) The Approval and Vesting Order shall have been issued and entered by the Court and shall not have been vacated, set aside or stayed;
 - (b) The Required Regulatory Approval shall have been obtained;

² The Replacement Financial Assurance Condition Date was originally June 16, 2017, but was extended to June 25, 2017, at the request of the Purchaser.

- (c) The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 7.3 of the Scully Mine APA;
- (d) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of:
 - (i) Making any of the transactions contemplated by the Scully Mine APA illegal; or
 - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by the Scully Mine APA;
- (e) Each of the representations and warranties contained in Section 4.1 and Section 4.2 of the Scully Mine APA shall be materially true and correct:
 - (i) As of the Closing Date as if made on and as of such date; or
 - (ii) If made as of a date specified therein, as of such date;
- (f) The Purchaser and the Parent shall have performed in all material respects all covenants, obligations and agreements contained in the Scully Mine APA required to be performed by the Purchaser and the Parent, as applicable, on or before the Closing;

- (g) The Vendors shall have obtained evidence satisfactory to the Vendors that all Vendor Surety Bonds³ have been cancelled or will be cancelled immediately after Closing and that the Vendors are no longer bound by the Vendor Closure Plan or will, immediately after Closing, no longer be bound by the Vendor Closure Plan;
 - (h) The Cure Costs in respect of any Assigned Contract do not exceed the applicable Cure Cost Threshold unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold;
 - (i) On or before the Replacement Financial Assurance Condition Date, the Purchaser shall have provided evidence acceptable to the Vendors, acting reasonably, that the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance (the “**Vendors’ RFA Condition**”, and together with the Purchaser’s RFA Condition, the “**RFA Conditions**”); and
 - (j) The Vendors shall have received the Northern Land ROFR Waiver on or before execution of the Scully Mine APA⁴.
42. As set out in section 9.1 of the Scully Mine APA, the Scully Mine APA may be terminated on or prior to the Closing Date:
- (a) By the mutual written agreement of the Vendors and the Purchaser, provided however, that if the Approval and Vesting Order has been issued and entered by the Court, any such termination shall require either the consent of the Monitor, or approval of the Court;

³ Performance bonds in the aggregate amount of \$49,724,695 are held by the Government in respect of the mine rehabilitation and closure obligations. The performance bonds were posted by Cliffs Mining Company as Managing Agent on behalf of WICL.

⁴ The Northern Land ROFR Waiver relates to a right of first refusal held by Iron Ore Company of Canada with respect to the Northern Land Shares and was received on June 2, 2017.

- (b) By written notice from the Purchaser to the Vendors in accordance with Section 6.5 of the Scully Mine APA in certain circumstances involving the destruction or loss of Purchased Assets;
- (c) By the Purchaser, on the one hand, or by the Vendors, on the other hand, in each case for reasons other than a breach of the Scully Mine APA by either the Purchaser or the Parent or the Vendors, upon written notice to the other Parties if:
 - (i) The Approval and Vesting Order has not been obtained by the Approval and Vesting Order Deadline Date, being June 30, 2017, or such later date as the parties may agree;
 - (ii) The Court declines at any time to grant the Approval and Vesting Order; or
 - (iii) The Required Regulatory Approval (to the extent applicable) is not obtained by the Outside Date;
- (d) By written notice from the Purchaser to the Vendors if there has been a material breach by the Vendors of any representation, warranty or covenant contained in the Scully Mine APA, which breach has not been waived by the Purchaser and:
 - (i) Such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 of the Scully Mine APA impossible by the Outside Date, being July 31, 2017, or such later date as the Parties may mutually agree; or
 - (ii) If such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendors, and such breach has not been cured within five days following the date upon which the Vendors received such notice;

- (e) By written notice from the Purchaser to the Vendors any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided, for reasons other than as set out in Section 9.1(3) of the Scully Mine APA, and such failure to close was not caused by or as a result of the Purchaser's or the Parent's breach of the Scully Mine APA;
- (f) By written notice from the Vendors to the Purchaser if the Cure Costs in respect of any Assigned Contract exceed the applicable Cure Cost Threshold, unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold;
- (g) By written notice from the Vendors to the Purchaser if there has been a material breach by the Purchaser or the Parent of any representation, warranty or covenant contained in the Scully Mine APA, which breach has not been waived by the Vendors and:
 - (i) Such breach is not curable and has rendered the satisfaction of any condition in Section 8.2 of the Scully Mine APA impossible by the Outside Date; or
 - (ii) If such breach is curable, the Vendors have provided prior written notice of such breach to the Purchaser, and such breach has not been cured within five days following the date upon which the Purchaser received such notice;
- (h) By written notice from the Vendors to the Purchaser any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided for reasons other than as set out in Section 9.1(3) of the Scully Mine APA, and such failure to close is not caused by or as a result of the Vendors' breach of the Scully Mine APA; or
- (i) By written notice:

- (i) From the Vendors to the Purchaser if the Vendors' RFA Condition has not been satisfied or waived by the Vendors by the Replacement Financial Assurance Condition Date;
or
 - (ii) From the Purchaser to the Vendors if the Purchaser's RFA Condition has not been satisfied or waived by the Purchaser by the Replacement Financial Assurance Condition Date.

- 43. As noted earlier in this Report, the Scully Mine APA contemplates the assignment of the Assigned Contracts, including the MFC Sub-Lease, to the Purchaser or its Designated Affiliate. The Vendors are required to obtain the Assignment Order in respect of any Assigned Contract for which consent to assign is required but is not obtained. The Vendors' request for the Assignment Order is discussed later in this Report.

- 44. Any Cure Costs payable in respect of any Assigned Contract must be paid by the Purchaser up to the amount of the Cure Cost Threshold. As noted above, the Vendors may terminate the Scully Mine APA if the Cure Costs in respect of any Assigned Contract exceed the applicable Cure Cost Threshold, unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold.

- 45. The Purchaser is not assuming any liability for the Employee Plans, which include the Pension Plans and other post-employment benefit plans ("OPEBs"). The Vendors retain all liability for employment Liabilities accruing on or before the Closing Date, including claims with respect to the Employee Plans. The Purchaser has provided a representation that it has entered into a Replacement Collective Bargaining Agreement which is effective no later than Closing and is not assuming and/or becoming the successor in relation to any Employee Plans or obligations or Liabilities related thereto under the Replacement Collective Bargaining Agreement.

46. The Target Closing Date is the third Business Day following the later of:
 - (a) The date of issuance of the Approval and Vesting Order; and
 - (b) The date of issuance of the Assignment Order.

47. Section 6.2 of the Scully Mine APA provides for service and filing of the Scully Sale Approval Motion as soon as practicable following execution of the Scully Mine APA and no later than June 16, 2017, and for the sending of the Unionized Pension Beneficiary Notice by no later than June 6, 2017 (the “**Pension Notice Deadline**”), or such later date as may be agreed by the parties.

48. The Pension Notice Deadline was extended to June 8, 2017. The Unionized Pension Beneficiary Notice was sent by the Pension Administrator to the beneficiaries of the Hourly Pension Plan on June 8, 2017. A copy of the Pension Beneficiary Notice was also provided to the Financial Services Regulation Division of the Government of Newfoundland and Labrador, the Department of Justice (Canada) on behalf of the Office of the Superintendent of Financial Institutions and Retraite Québec and Representative Counsel on June 12, 2017. No similar notice was sent to beneficiaries of the Salaried Pension Plan as Representative Counsel represents the Salaried Members and Representative Counsel was served with the Scully Sale Approval Motion on June 13, 2017, the date that the Scully Sale Approval Motion was served on the Service List.

49. As described above, the Scully Mine APA is subject to a number of conditions. While the Scully Mine APA is not subject to any financing or due diligence condition, as at the date of this Report, the RFA Conditions remain significant “business” conditions yet to be satisfied. The Purchaser has provided evidence of financing commitment, though such commitment is conditional on the satisfaction of the Purchaser’s RFA Condition and expires concurrent with the Replacement Financial Assurance Condition Date.

50. In the Confidential Appendices, the Monitor reported that the Purchaser had been working with the Government to determine the amount of Replacement Financial Assurance that will be required on Closing. In the Confidential Appendix to the Monitor's Thirty-Sixth Report, the Monitor reported that the Government had confirmed the quantum of Replacement Financial Assurance that it will require on Closing of a transaction, but the Purchaser and the Government had not resolved all of the issues relating to the Replacement Financial Assurance.
51. The RFA Conditions must be satisfied by the Replacement Financial Assurance Condition Date. The Purchaser has informed the Monitor that it is continuing in its efforts to satisfy the RFA Conditions, including approaching its financing partners, CNR and the Government regarding arrangements to satisfy the RFA Conditions. However, there is no certainty that the RFA Conditions will be satisfied.

THE MONITOR'S COMMENTS AND RECOMMENDATION

52. Section 36(1) of the CCAA states:

“36(1) Restriction on disposition of business assets - A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.”

53. Section 36(3) of the CCAA states:

“(3) Factors to be considered - In deciding whether to grant the authorization, the court is to consider, among other things,

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.”

Reasonableness of the Process Leading to the Proposed Sale

- 54. The Purchased Assets were made available for sale in the SISP, through the various sale efforts subsequent to the SISP and through the Wabush Mine Sale Procedure. Details of those processes have been provided to the Court in previous reports of the Monitor.
- 55. Specifically, details of the Wabush Mine Sale Procedure were provided in the Monitor’s Thirty-Second Report. While Court approval of the Wabush Mine Sale Procedure was not sought, to the Monitor’s knowledge no stakeholder has raised any concern regarding the Wabush Mine Sale Procedure and none of the Interested Parties have objected to the Wabush Mine Sale Procedure.

56. In the Monitor's view, in the circumstances of this case and given the status of efforts to sell the Scully Mine and the level of interest expressed therein, the Wabush Mine Sale Procedure was reasonable and appropriate and provided each of the Interested Parties an adequate opportunity to perform due diligence and to formulate and submit a binding offer.
57. The Monitor is of the view that the process that resulted in the execution of the Scully Mine APA was fair and reasonable in the circumstances.

Monitor's Approval of the Process

58. The Monitor approved the process that led to the execution of the Scully Mine APA. As noted in the Monitor's Thirty-Second Report, the Monitor was involved in the development of the Wabush Mine Sale Procedure. Furthermore, the Monitor was actively involved in the execution of the Wabush Mine Sale Procedure and the negotiation of the Scully Mine APA.

Comparison with Sale in Bankruptcy

59. The Monitor has considered whether the Scully Mine Transaction would be more beneficial to creditors of the Vendors and the Vendors' stakeholders generally than a sale or disposition of the Purchased Assets under a bankruptcy.
60. The options available for sale or disposition of the Purchased Assets are the same regardless of whether such sale or disposition is carried out in the CCAA Proceedings or in a bankruptcy.
61. As discussed later in this Report, the Monitor is satisfied that the Purchase Price contemplated in the Scully Mine APA is fair and reasonable in the circumstances and that the approval and completion of the Scully Mine Transaction is in the best interests of the creditors of the Vendors and the Vendors' stakeholders generally.

62. There would be no prejudice to the beneficiaries of the CCAA Charges from the sale of the Purchased Assets as the proceeds will stand in the stead of the Purchased Assets and be held by the Monitor pending further Order of the Court.
63. It is the Monitor's view that the process to now obtain the Approval and Vesting Order, which is a condition of the Scully Mine APA, and close the Scully Mine Transaction would be the same in both the CCAA Proceedings or a bankruptcy and that the costs associated therewith would be essentially the same whether the sale was completed in the CCAA Proceedings or a bankruptcy.
64. However, a sale in bankruptcy would delay and possibly jeopardize the approval and closing of the Scully Mine Transaction as it would be necessary to first assign the Vendors into bankruptcy or obtain a Bankruptcy Order, convene a meeting of creditors, appoint inspectors and obtain the approval of the inspectors for the Scully Mine Transaction prior to seeking the Approval and Vesting Order. Furthermore, additional costs would be incurred.
65. Accordingly, it is the Monitor's view that a sale or disposition of the Purchased Assets in a bankruptcy would not be more beneficial than the closing of the Scully Mine Transaction in the CCAA Proceedings.

Consultation with Creditors

66. As is typical with efforts to sell assets in a proceeding under the CCAA, creditors generally have not been consulted through the process. As the Court is aware, significant claims have been filed by various non-filed related parties of the Vendors. The non-filed related parties were consulted on the Scully Mine Transaction and the Monitor has been informed that the non-filed related parties support the Scully Mine Transaction.

67. The Monitor is of the view that the degree of creditor consultation was appropriate in the circumstances. The Monitor does not consider that any material change in the outcome of efforts to sell the Purchased Assets would have resulted from additional creditor consultation.
68. The Monitor also notes that prior to the execution of the Scully Mine APA, Purchaser was in discussions with the USW, with respect to the negotiation of the Replacement Collective Bargaining Agreement, and the Government, with respect to the Replacement Financial Assurance and the Required Regulatory Approval. Both the USW and the Government are important stakeholders in the CCAA Proceedings. The Monitor understands that the USW supports the approval of the Scully Mine Transaction and that the Government supports the Scully Mine Transaction, subject to the Purchaser's RFA Condition being satisfied.

The Effect of the Proposed Sale on Creditors and Other Interested Parties

69. The Monitor is of the view that the Scully Mine Transaction affords the following benefits to the creditors and to stakeholders generally:
- (a) The Scully Mine Transaction will generate additional proceeds for the Vendors' estates from the Cash Purchase Price;
 - (b) The Scully Mine Transaction will result in the payment of Cure Costs and the assumption of the Environmental Liabilities which will remove claims of up to approximately \$67 million in the aggregate from the Vendors' estates;
 - (c) The Purchaser will assume the Assigned Contracts which would otherwise be disclaimed resulting in significant additional claims against the estates;

- (d) Future employment and business opportunities for local workers and suppliers would be generated from the restart of operations at the Scully Mine, with resultant benefits to the local community; and
 - (e) The Scully Mine Transaction will prevent the abandonment of the Purchased Assets.
70. Pursuant to the proposed form of the Approval and Vesting Order, the proceeds of sale will stand in the stead of the Purchased Assets and be held by the Monitor pending further Order of the Court. The beneficiaries of the Administration Charge and the Directors' Charge will not be prejudiced by the Scully Mine Transaction. Accordingly, it is the Monitor's view that no stakeholder would be adversely affected by the Scully Mine Transaction.
71. A Transaction Fee would have been payable to Moelis & Company LLC, the CCAA Parties' sale advisor, on closing of the Scully Mine Transaction. However, Moelis has waived any Transaction Fee payable by the Vendors in respect of the Scully Mine Transaction pursuant to a letter agreement dated June 5, 2017.

Fairness of Consideration

72. The Wabush Mine Assets have been extensively marketed throughout the CCAA Proceedings. The Scully Mine Transaction is the only viable transaction available in respect of the Scully Mine and the consideration contained in the Scully Mine APA is the highest and best offer received in the Wabush Mine Sale Procedure.
73. As described in previous reports of the Monitor, the Monitor sought and obtained proposals for the liquidation of the remaining movable assets located at the Wabush Mine. The consideration under the Scully Mine APA exceeds the liquidation proposals received.
74. Accordingly, the Monitor is of the view that the consideration payable under the Scully Mine APA is fair and reasonable in the circumstances.

Monitor's Recommendation

75. The Scully Mine Transaction is the highest and best transaction resulting from the marketing of the Purchased Assets and the Monitor is of the view that the consideration is fair and reasonable in the circumstances. There is no evidence to suggest that any viable alternative exists that would deliver a better recovery from the Purchased Assets for the creditors of the Vendors' estates.
76. Based on the foregoing, the Monitor is of the view that the approval of the Scully Mine Transaction is in the best interests of the creditors of the Vendors and of the Vendors' stakeholders generally. Accordingly, the Monitor supports the Vendors' request for approval of the Scully Mine Transaction.

THE ANCILLARY RELIEF

77. In addition to the approval of the Scully Mine Transaction and other common provisions, the proposed Approval and Vesting Order provides for certain ancillary relief (the "**Ancillary Relief**"), including paragraphs 31 and 32 which state:

“31. ORDERS AND DECLARES that, neither the Purchaser nor the Parent Entity shall incur, suffer, assume or be deemed to incur, suffer or assume any claim, liability or obligations of any kind whatsoever of the Petitioners in respect of, in connection with or in relation to: (i) the Employee Plans (including, without limitation, any funding or pension benefit obligations under the Pension Plans); or (ii) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time.

32. ORDERS AND DECLARES that the Purchaser, the Parent Entity, and their respective affiliates, shareholders, officers,

directors, employees, delegates, agents, and representatives shall, effective upon Closing, be and be deemed to be irrevocably and unconditionally fully and finally released of and from any and all claims, liabilities or obligations whatsoever arising from any event, fact, matter or circumstance occurring or existing on or before Closing in relation to or in connection with: (i) the Employee Plans (including, without limitation, any funding or pension benefit obligations under the Pension Plans); or (ii) any occupational health, safety matters or any personal injury or other claims (including, without limitation, any asbestos-related, inhalable dust-related or silica-related claims, whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time, and assessments to the WHSCC for the period prior to the Closing Time.”

78. The Scully Mine APA is conditional on the issuance of the Approval and Vesting Order. Pursuant to section 1.1 of the Scully Mine APA, the Approval and Vesting Order must be in the form of Schedule “A” to the Scully Mine APA or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.
79. In negotiating the form of the Approval and Vesting Order, the Purchaser required the inclusion of the Ancillary Relief.
80. As described earlier in this Report, the Scully Mine APA provides that on Closing the Purchaser will only assume the Assumed Liabilities and will become responsible for the Environmental Liabilities. The Assumed Liabilities are comprised of:
 - (a) All Liabilities relating to the Purchased Assets arising from and after the Closing Time; and

- (b) All Liabilities under the Assigned Contracts and Permits and Licenses (in each case to the extent such Assigned Contract or Permit and License is effectively assigned to the Purchaser) arising from and after, or taking effect on or after the Closing Time.
81. Pursuant to paragraph 13 of the Approval and Vesting Order, on Closing all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances. The Permitted Encumbrances do not include any claim, liability or obligation related to the Employee Plans (the “**Employee Plan Claims**”) or any asbestos-related, inhalable dust-related or silica-related claims arising by reason of any occurrence prior to the Closing Time (the “**Employee Health Claims**”). As noted earlier in this Report, the Employee Plans include the Pension Plans and the OPEBs.
82. Paragraph 31 of the proposed Approval and Vesting Order has the effect of ensuring that neither the Purchaser nor the Parent shall incur, suffer, assume or be deemed to incur, suffer or assume any claim, liability or obligations in respect of the Employee Plan Claims or the Employee Health Claims, including any statutory obligation.
83. As previously reported, Employee Plan Claims in respect the Pension Plans and the OPEBs have been filed pursuant to the Claims Procedure Order. The Monitor is not aware of any Employee Health Claims having been filed by the Claims Bar Date. Accordingly, any such claims have been extinguished pursuant to the Claims Procedure Order, subject to further Order of the Court.
84. Paragraph 32 of the Approval and Vesting Order provides releases effective on Closing in respect of the Employee Plan Claims and the Employee Health Claims in favour of the Purchaser, the Parent and their respective affiliates, shareholders, officers, directors, employees, delegates, agents, and representatives.

85. Paragraph 32 of the Approval and Vesting Order appears to provide releases for potential claims for which, pursuant to the Scully Mine APA and paragraphs 13 and 31 of the Approval and Vesting Order, the Purchaser and the Parent would not incur or assume. The Purchaser has informed the Monitor that the releases contained in paragraph 32 of the Approval and Vesting Order are important as corollaries to paragraph 31 of the Approval and Vesting Order.
86. The Monitor notes the following with respect to the Ancillary Relief:
- (a) The Purchaser does not have any current liability for the Employee Plan Claims or the Employee Health Claims and accordingly is not seeking a release of any existing liabilities. Rather, the Purchaser seeks confirmation that it is not, through the Scully Mine Transaction, assuming any such liabilities that it has not contractually agreed to assume;
 - (b) No other offer was submitted that included the assumption of the Employee Plan Claims or the Employee Health Claims;
 - (c) In the Monitor's view; there is no other credible scenario where the Employee Plan Claims or the Employee Health Claims would be assumed by a purchaser; and
 - (d) The Scully Mine APA is conditional on the granting of the Approval and Vesting Order in the form of Schedule "A" to the Scully Mine APA, which includes the Ancillary Relief, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.
87. Based on the foregoing, the Monitor has no objection to the Ancillary Relief.

REQUEST FOR THE ASSIGNMENT ORDER

88. The Scully Mine APA requires the assignment of the Assigned Contracts. Section 2.3(2) of the Scully Mine APA states:

“(2) *Assignment Order.* To the extent that any Assigned Contract (other than any Additional Non-Assignment Order Assigned Contract) is not assignable without the consent of the counterparty or any other Person and such consent has not been obtained prior to the date that the Vendors file the motion for the Assignment Order (unless such consent is obtained prior to the first scheduled hearing date of the motion for the granting of the Assignment Order), (i) the Vendors’ rights, benefits and interests in, to and under such Assigned Contract shall be conveyed to the Purchaser (or its Designated Affiliate, as applicable) pursuant to the Assignment Order, (ii) the Vendors will use commercially reasonable efforts to obtain the Assignment Order in respect of such Assigned Contract on or prior to the Approval and Vesting Order Deadline Date, in form and substance acceptable to the Purchaser, acting reasonably, and (iii) if the Assignment Order is obtained in respect of such Assigned Contract, in form and substance acceptable to the Purchaser, acting reasonably, the Purchaser (or its Designated Affiliate, as applicable) shall accept the assignment of such Assigned Contract on such terms. For greater certainty, the form of Assignment Order attached as Schedule “A-1” hereto is acceptable to the Purchaser in both form and substance and shall not relate to any Additional Non-Assignment Order Assigned Contract.”

89. Counsel to the Vendors has written to the counter-parties to the Assigned Contracts for which consent to assign is required, seeking consent to the assignment of the Assigned Contract (the “**Assigned Contract Consents**”). As the Vendors have not yet obtained any of the Assigned Contract Consents, the Vendors are seeking the granting of the Assignment Order in respect of those Assigned Contracts listed on Schedule A to the proposed Assignment Order (the “**Assignment Order Contracts**”). To the extent that an Assigned Contract Consent is obtained prior to the hearing of the Scully Sale Approval Motion, the relevant Assigned Contract will be removed from the proposed Assignment Order.

90. Section 11.3 of the CCAA states:

“11.3 (1) On application by a debtor company and on notice to every party to an agreement and the monitor, the court may make an order assigning the rights and obligations of the company under the agreement to any person who is specified by the court and agrees to the assignment.

Exceptions:

(2) Subsection (1) does not apply in respect of rights and obligations that are not assignable by reason of their nature or that arise under

(a) an agreement entered into on or after the day on which proceedings commence under this Act;

(b) an eligible financial contract; or

(c) a collective agreement.

Factors to be considered:

(3) In deciding whether to make the order, the court is to consider, among other things,

(a) whether the monitor approved the proposed assignment;

- (b) whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and
- (c) whether it would be appropriate to assign the rights and obligations to that person.

Restriction:

(4) The court may not make the order unless it is satisfied that all monetary defaults in relation to the agreement — other than those arising by reason only of the company’s insolvency, the commencement of proceedings under this Act or the company’s failure to perform a non-monetary obligation — will be remedied on or before the day fixed by the court.”

THE MONITOR’S COMMENTS AND RECOMMENDATION

91. With respect to the application of the factors set out in section 11.3(3) of the CCAA, the Monitor notes that section 11.3(3) provides a non-exhaustive list of factors to be considered by the Court, among other things, and that section 11.3(3) does not require that each of the factors listed must be met in order for the assignment of an agreement to be ordered by the Court.

Assignability of the Rights and Obligations

92. The Monitor is not aware of any rights and obligations under the Assignment Order Contracts that are not assignable by reason of their nature.
93. To the best of the Monitor’s knowledge, none of the Assignment Order Contracts is:
- (a) An agreement entered into on or after the commencement of the CCAA Proceedings;
 - (b) An eligible financial contract; or

- (c) A collective agreement.

Whether The Monitor Approved The Proposed Assignment

- 94. The Vendors have requested the Assigned Contract Consents but may not be successful in obtaining the Assigned Contract Consents by the date scheduled for the Scully Sale Approval Motion.
- 95. As noted earlier in this Report, the Monitor is of the view that the approval of the Scully Mine Transaction is in the best interests of the Vendors' stakeholders generally. The assignment of the Assigned Contracts is a condition of the Scully Mine APA. Absent the consent of the counter-parties to the Assigned Contracts for which consent is required, the assignment of the Assigned Contracts can only be effected by the granting of an Order pursuant to section 11.3 of the CCAA.
- 96. Accordingly, the Monitor approves of the proposed assignments.

Whether The Purchaser Would Be Able To Perform The Obligations

- 97. Counsel to the Purchaser has informed the Monitor that a representative of the Purchaser will provide an affidavit to evidence that the Purchaser will be able to perform the obligations under the Assignment Order Contracts if they are assigned.

Whether It Would Be Appropriate To Assign The Rights And Obligations

- 98. As noted earlier in this Report, the Monitor is of the view that the approval of the Scully Mine Transaction is in the best interests of the Vendors' stakeholders generally. The assignment of the Assigned Contracts is a condition of the Scully Mine APA.
- 99. The Applicants have, to date, been unable to obtain all of the Assigned Contract Consents.

100. Assuming that the Purchaser provides satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, the Monitor is not aware of any potential prejudice to the counter-parties to the Assignment Order Contracts as compared to the Assignment Order Contracts being either retained or disclaimed by the Vendors.
101. Accordingly, subject to the Purchaser providing satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, the Monitor is of the view that the assignment of the Assignment Order Contracts is appropriate in the circumstances.

Payment of Monetary Defaults

102. The known amounts, based on the books and records of the Vendors, of potential Cure Costs in respect of the Assignment Order Contracts, other than the MFC Sub-Lease, are set out in Schedule “A” to the Assignment Order.
103. The Scully Mine APA provides for the payment of Cure Costs⁵ by the Purchaser up to the Cure Cost Threshold, including any Cure Costs in relation to the MFC Sub-Lease. The Cure Cost Threshold does not apply to any Accrual Cure Costs.
104. As noted earlier in this Report, in the event that the Cure Cost of any Assigned Contract exceeds the Cure Cost Threshold, the Vendors have the right to terminate the Scully Mine APA unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold.
105. In order to ensure payment of the Cure Costs, including any Cure Costs in relation to the MFC Sub-Lease, the Scully Mine APA provides that the Purchaser will pay the aggregate amount of the Cure Costs, up to the amount of the Cure Cost Threshold to the Monitor at or prior to Closing.

⁵ By definition, Cure Costs includes for any Assigned Contract “the amounts, if any, to be paid to remedy all of the monetary defaults in relation to such Assigned Contract ...”

106. With respect to the Cure Costs for any Assigned Contract other than the MFC Sub-Lease, the proposed Assignment Order provides that the Cure Costs will be as set forth in Schedule “A” to the Assignment Order and that the Cure Costs will be disbursed by the Monitor in accordance with the provisions of the Approval and Vesting Order. The Approval and Vesting Order provides that the Monitor will remit the Cure Costs as determined by the Court in accordance with the Assignment Order as soon as practicable after Closing.
107. With respect to the Cure Costs for the MFC Sub-Lease, the Assignment Order provides that the monetary defaults to be remedied in relation to the MFC Sub-Lease shall be the aggregate of the MFC Pre-Filing Claim plus the MFC Post-Filing Claim, as finally determined in accordance with the provisions of the Assignment Order (the “**Lease Cure Costs**”).
108. The MFC Pre-Filing Claim has not yet been finally adjudicated in accordance with the provisions of the Claims Procedure Order. The Assignment Order provides that the MFC Pre-Filing Claim, shall, unless otherwise agreed by the parties, be heard and determined by Mr. Justice Hamilton in the context of the CCAA Proceedings. If the Scully Mine Transaction is approved and closes, the Purchaser and MFC will be the only parties with an economic interest in the determination of the MFC Pre-Filing Claim. Accordingly, the Assignment Order further provides that any outstanding procedural issues in connection with the determination of the MFC Pre-Filing Claim shall be agreed upon between MFC and the Purchaser or determined by order of this Court.
109. The MFC Post-Filing Claim will, unless otherwise agreed by the Vendors and MFC, be determined by the Court pursuant to the MFC Royalty Litigation, now scheduled to be heard July 19 to 21, 2017.
110. The Assignment Order provides that the Monitor shall remit to MFC in satisfaction of the Lease Cure Costs:

- (a) From the Cure Costs payment received by the Monitor on Closing in respect of the MFC Sub-Lease the amount of the MFC Pre-Filing Claim within five Business Days of final determination of the MFC Pre-Filing Claim; and
- (b) From the Disputed Post-Filing Royalties⁶ received by the Monitor, the amount of the MFC Post-Filing Claim within five Business Days of final determination of the MFC Post-Filing Claim.

Monitor's Recommendation

- 111. As noted earlier in this Report, the Monitor is of the view that the approval of the Scully Mine Transaction is in the best interests of the Vendors' stakeholders generally. The Assignment Order is necessary to effect the assignment of the Assignment Order Contracts, the assignment of which is a condition precedent to the Scully Mine APA.
- 112. Subject to the Purchaser providing satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, the Monitor is of the view that it is appropriate for the Assignment Order Contracts to be assigned.
- 113. The Approval and Vesting Order and the Assignment Order together provide mechanisms to ensure that the Cure Costs in relation to the Assignment Order Contracts will be remedied by the dates set out therein.
- 114. Accordingly, based on the foregoing, subject to the Purchaser providing satisfactory evidence of its ability to fulfil the obligations under the Assignment Order Contracts, the Monitor supports the Vendors' request for the granting of the Assignment Order.

⁶ As at the date of this Report, the Monitor holds \$5,685,750 plus interest less bank charges paid by the Wabush CCAA Parties pursuant to the Order of the Honourable Mr. Justice Hamilton made December 4, 2015.

The Monitor respectfully submits to the Court this, its Thirty-Seventh Report.

Dated this 16th day of June, 2017.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Bloom Lake General Partner Limited, Quinto Mining Corporation,
8568391 Canada Limited, Cliffs Québec Iron Mining ULC,
Wabush Iron Co. Limited, Wabush Resources Inc.,
The Bloom Lake Iron Ore Mine Limited Partnership,
Bloom Lake Railway Company Limited, Wabush Mines,
Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin
Senior Managing Director



Steven Bissell
Managing Director

Appendix A

The April 24 Forecast

CCAA Parties' Cash Flow Projection

Amounts in CAD in thousands (\$000s)

Week Ending Friday Forecast Week	Wabush											Wabush	Bloom Lake	Combined
	21-Apr-17	28-Apr-17	5-May-17	12-May-17	19-May-17	26-May-17	2-Jun-17	9-Jun-17	16-Jun-17	23-Jun-17	30-Jun-17	Total	Total	Total
	1	2	3	4	5	6	7	8	9	10	11			
Cash Flow from Operations														
Receipts	15	5,210	1	-	-	-	38	-	-	-	-	5,264	7,191	12,455
Payroll & Employee Benefits	-	(25)	-	(25)	-	(25)	-	(25)	-	(25)	-	(125)	-	(125)
Contractors	(20)	-	(14)	-	(54)	-	(29)	-	(29)	-	(149)	(295)	-	(295)
Utilities	-	-	-	(10)	-	-	-	-	(8)	-	-	(18)	-	(18)
Other Operating Disbursements	(812)	-	(6)	-	-	(9)	1	-	(4)	-	(4)	(834)	(701)	(1,535)
Operating Cash Flows	(817)	5,185	(19)	(35)	(54)	(34)	10	(25)	(41)	(25)	(153)	3,992	6,490	10,482
Restructuring Professional Fees	(111)	-	-	(153)	-	(65)	-	-	(856)	(1,298)	(501)	(2,984)	(1,956)	(4,940)
Projected Net Cash Flow	(928)	5,185	(19)	(188)	(54)	(99)	10	(25)	(897)	(1,323)	(654)	1,008	4,534	5,542

Wabush CCAA Parties - Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the Wabush CCAA Parties during the forecast period.
- [2] Forecast Receipts include insurance proceeds received with respect to a previous oil spill at the Point-Noire mining site and sales tax refunds to be received by the Wabush CCAA Parties.
- [3] Forecast Payroll & Employee Benefits disbursements are forecast based on current staffing levels and recent payroll amounts.
- [4] Forecast disbursements in respect of Contractors consist primarily of environmental monitoring and containment activities related to the Scully mine, and are assumed to be paid when services are rendered.
The forecast does not include any amounts for the ordering of dust control supplies as it is assumed that the Scully Mine would be sold or abandoned before the summer dust control program would have to be implemented.
- [5] Forecast Utilities disbursements consist primarily of hydro costs to maintain the Scully Mine facilities and reflect current payment terms, rates and estimated consumption over the forecast period.
- [6] Forecast Other Operating Disbursements reflect costs of on-going monitoring and maintenance of the Scully Mine facilities not reflected in other line items. The timing of Other Operating Disbursements is assumed to be cash on delivery.
- [7] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings.

Bloom Lake CCAA Parties - Notes:

- [1] The purpose of this cash flow projection is to determine the liquidity requirements of the Bloom Lake CCAA Parties during the forecast period.
- [2] Forecast Receipts include a refund from Revenu Québec for mining duties paid during pre-filing CCAA periods.
- [3] Forecast Other Operating Disbursements reflect a final estimated payment owing to ArcelorMittal in respect of the Mont Wright Construction Camp, net of outstanding lease payments owing to CQIM.
- [4] Forecast Restructuring Professional Fees consist of legal and financial advisor fees associated with the CCAA proceedings.

Appendix B

The Scully Mine APA

WABUSH IRON CO. LIMITED

- and -

WABUSH RESOURCES INC.

- and -

WABUSH LAKE RAILWAY COMPANY LIMITED

- and -

TACORA RESOURCES INC.

- and -

MAGGLOBAL LLC

ASSET PURCHASE AGREEMENT

DATED AS OF JUNE 2, 2017

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of June 2, 2017 is made by and among:

WABUSH IRON CO. LIMITED

- and -

WABUSH RESOURCES INC.

- and -

WABUSH LAKE RAILWAY COMPANY LIMITED

(collectively, the “**Vendors**”)

- and -

TACORA RESOURCES INC. (the “**Purchaser**”)

- and -

MAGGLOBAL LLC (the “**Parent**”)

RECITALS:

A. Pursuant to an initial order of the Québec Superior Court [Commercial Division] (the “**Court**”) dated January 27, 2015 (as the same may be amended and restated from time to time) in the proceedings bearing Court File No. 500-11-048114-157 (the “**CCAA Proceedings**”), Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and the Bloom Lake Iron Ore Mine Limited Partnership (collectively, the “**Bloom CCAA Parties**”) obtained protection from their creditors under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and FTI Consulting Canada Inc. was appointed as monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”).

B. By an Order of the Court dated May 20, 2015 (as the same may be amended, restated or rectified from time to time), Wabush Iron, Wabush Resources, Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the “**Wabush CCAA Parties**”) were added to the CCAA Proceedings and obtained protection from their creditors under the CCAA.

C. The Vendors have operated the business of an iron ore mine and processing facility (the “**Business**”) located north of the Town of Wabush in Newfoundland and Labrador, commonly known as either the Wabush mine or the Scully mine, together with the Wabush Lake Railway (collectively, the “**Scully Mine**”).

D. The Vendors desire to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendors, all of the Vendors’ right, title and interest in and to the Purchased Assets and the Assumed Liabilities, on the terms and subject to the

conditions contained in this Agreement.

E. The Northern Land Shares and Northern Land Indebtedness are included as Purchased Assets and IOC has confirmed that it will not be exercising its right of first refusal to purchase such shares and notes pursuant to the Subscription Agreement.

F. The transactions contemplated by this Agreement are subject to the approval of the Court and will be consummated pursuant to the Approval and Vesting Order to be entered by the Court in the CCAA Proceedings.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement:

“116(2) Property” means Wabush Iron’s interest in such portion of the Purchased Assets that consists of “taxable Canadian property” as defined for purposes of section 116 of the ITA (other than property described in subsection (5.2) “and excluded property”, as defined for purposes of section 116 of the ITA).

“116(5.2) Property” means Wabush Iron’s interest in such portion of the Purchased Assets that consists of property that is described in subsection 116(5.2) of the ITA.

“Access Agreement” means an agreement substantially in the form attached hereto as Exhibit “A”.

“Accrual Cure Costs” means the amounts, if any, (i) to be paid to remedy all of the monetary defaults in relation to, and (ii) to cover all amounts accruing and owing but not yet payable or due by the Vendors under or pursuant to (a) the Maintenance and Operation Agreement dated January 1, 1980 between Carol Lake Company Limited and Wabush Lake Railway, as amended June 10, 1985, for the period from and after April 1, 2017 to Closing, (b) the Running Rights Agreement dated August 4, 1960 between Northern Land and Wabush Lake Railway, for the period from and after January 1, 2017 to Closing; (c) the Wabush Mountain Area Mining Lease for the period from and after December 31st, 2016 to Closing; (d) the Lot 2, 3 and 4 Mining Lease for the period from and after December 31st, 2016 to Closing; (e) the Subscription Agreement for the period from and after January 1, 2017 to Closing; (f) any Additional Assignment Order Assigned Contract for the period to Closing not otherwise set out in the amended Schedule “D”; and (g) any Additional Non-Assignment Order Assigned Contract for the period to Closing not otherwise set out in the amended Schedule “D”.

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

“Additional Assignment Order Assigned Contract” means any Contract that, with the consent of the Vendors, acting reasonably, is added to Schedule “D” prior to the

Assignment Order Contract Deadline, and “**Additional Assignment Order Assigned Contracts**” means all of such Contracts. For greater certainty, the Cure Costs applicable to any Additional Assignment Order Assigned Contract (other than Accrual Cure Costs, if any) shall be added to Schedule “O”.

“**Additional Non-Assignment Order Assigned Contract**” means any Contract that, with the consent of the Vendors, acting reasonably, is added to Schedule “D” on or after the Assignment Order Contract Deadline and prior to Closing; which additional Contract shall not be subject to any Assignment Order, and “**Additional Non-Assignment Order Assigned Contracts**” means all of such Contracts.

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “**control**” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “**controlled**” shall have a similar meaning.

“**Alternative Allocation**” has the meaning set out in Section 3.5(9).

“**Agreement**” means this Asset Purchase Agreement, including the preamble and the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Governmental Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (i) and (ii), “**Law**”), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“**Approval and Vesting Order Deadline Date**” means June 30th, 2017 or such later date as the Parties may agree upon.

“**Approval and Vesting Order**” means an order of the Court issued in the CCAA Proceedings approving the transactions contemplated by this Agreement and vesting in the Purchaser all of the Vendors’ right, title and interest in and to the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances), in the form of Schedule “A”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“**Assigned Contracts**” means, subject to Section 2.3(5) of this Agreement, the Real Property Leases, the Mining Rights and the other Contracts listed on Schedule “D”, as such Schedule may be amended, supplemented or restated from time to time in accordance with the terms of this Agreement.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendors’ rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

“Assignment Order” means an order of the Court issued in the CCAA Proceedings pursuant to section 11.3 of the CCAA assigning to the Purchaser (or its Designated Affiliate, as applicable) the Vendors’ right, benefit and interest in and to any of the Assigned Contracts (other than the Additional Non-Assignment Order Assigned Contracts) for which any necessary consent to assign has not been obtained, in the form of Schedule “A-1”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“Assignment Order Contract Deadline” means June 11, 2017.

“Assumed Liabilities” means only the Liabilities of the Vendors listed on Schedule “E”.

“Bloom CCAA Parties” has the meaning set out in Recital A.

“Books and Records” means (i) in each case of this clause (i) solely to the extent located at the Scully Mine, all books, records, files, papers, books of account and other financial data related to the Purchased Assets, the Business and the Assumed Liabilities, including drawings, any engineering information, geologic data, geotechnical data and interpretation, core logging data, and laboratory analysis data and interpretation related to drilling campaigns, geological mapping, production records, maintenance records including equipment master list, work order database and maintenance and equipment history contained in what is commonly known as a CMMS or Computer based Maintenance Management System, technical reports and environmental studies and reports, manuals and data, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, permits, licences and authorizations, application, renewal and reinstatement documentation, and (ii) mining block model data, provided, however, that the Vendors are not providing any software or licences (including the CMMS or Computer based Maintenance Management System) to be used to access any of the foregoing data that may be available in electronic form.

“Business” has the meaning set out in Recital C.

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of St. John’s, Newfoundland and Labrador, the City of Toronto, Ontario, or the City of Cleveland, Ohio.

“Cash Purchase Price” has the meaning set out in Section 3.1(1).

“CCAA” has the meaning set out in Recital A.

“CCAA Parties” means the Bloom CCAA Parties and the Wabush CCAA Parties.

“CCAA Proceedings” has the meaning set out in Recital A.

“Certificate of Compliance” has the meaning set out in Section 3.5(1).

“Claims Procedure Order” means the order of the Court dated November 5, 2015 approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers, as amended from time to time.”

“Closing” means the completion of the purchase and sale of the Vendors’ right, title and interest in and to the Purchased Assets and the assignment and assumption of the Assumed Liabilities by the Purchaser in accordance with the provisions of this Agreement.

“Closing Date” means the date on which Closing occurs, which date shall be the Target Closing Date or such other date as may be agreed to in writing by the Parties; provided, that the Closing Date shall be no later than the Outside Date.

“Closing Time” has the meaning set out in Section 7.1.

“Closure Plan” means any reclamation, rehabilitation, remediation, restoration, waste disposal, water management, post-closure control measures, monitoring and ongoing maintenance and management programs for environmental impacts or other similar obligations with respect to the Scully Mine that is required by Applicable Law, by the terms and conditions of applicable licences, or by Governmental Authorities.

“Conditions Certificates” has the meaning set out in Section 8.3.

“Confidentiality Agreement” has the meaning set out in Section 10.8.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) Related to the Business to which any one or more of the Vendors are a party or by which any one or more Vendors or any of the Purchased Assets is bound or under which any one or more of the Vendors have rights, including any Personal Property Leases, Mining Rights and any Real Property Leases.

“Court” has the meaning set out in Recital A.

“CRA” means the Canada Revenue Agency or any successor agency.

“Critical Permits and Licences” means those Permits and Licences that are, in the opinion of the Purchaser, necessary and critical to the operation of the Business and the Purchased Assets by the Purchaser as listed and specified on Schedule “F”.

“Cure Costs” means (i) with respect to any Assigned Contract (other than an Additional Non-Assignment Order Assigned Contract) for which consent to assignment has not been obtained and is to be assigned to the Purchaser (or its Designated Affiliate, if applicable) in accordance with the terms of the Assignment Order, the amounts, if any, to be paid to remedy all of the monetary defaults in relation to such Assigned Contract, which amount shall be scheduled in the Assignment Order, together with the Accrual Cure Costs (which, for greater certainty, are not scheduled to the Assignment Order), and (ii) with respect to any Assigned Contract to be assigned on consent, the amount, if

any, to secure a counterparty's or any other necessary Person's consent to the assignment of such Assigned Contract as agreed by the Purchaser and the applicable counterparty, including, for greater certainty, any Accrual Cure Costs in respect of any Assigned Contracts. For greater certainty, Cure Costs shall not include the Disputed Post-Filing Royalties.

"Cure Cost Threshold" means in respect of each Assigned Contract, (i) the applicable amount reflected on Schedule "O" (as it may be amended, supplemented and restated from time to time) multiplied by one hundred and one percent (101%), and (ii) the Accrual Cure Costs in respect of each Assigned Contract to the extent not included in foregoing clause (i).

"Damages" means any loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, damages available at law or in equity (excluding incidental, consequential, special, aggravated, exemplary or punitive damages unless paid to a third party) and expense (including reasonable consultant's and expert's fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs and fees and expenses of investigation, defence or settlement).

"Data Room" has the meaning set forth in Section 6.8.

"Deed of Sale" means a deed of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors' right, title and interest in and to the Owned Real Property located in the Province of Newfoundland and Labrador and the Mining Rights located in the Province of Newfoundland and Labrador, and **"Deeds of Sale"** shall mean more than one of them.

"Deposit" has the meaning set forth in Section 3.2(1).

"Designated Affiliate" shall have the meaning set forth in Section 2.3(9).

"Disputed Deadbed Action" means any Action by Wabush Iron and/or Wabush Resources (including any amounts payable, if any) in respect of certain alleged deadbed royalties, which were paid by Wabush Iron and Wabush Resources to MFC, under protest, on or about December 12, 2014.

"Disputed Post-Filing Royalties" means the amount payable, if any, by Wabush Iron and Wabush Resources from time to time to MFC in respect of royalties pursuant to the Wabush Sub-Lease for the period from and after May 20, 2015 to the Closing Date, which amounts have been, and will continue to be paid pursuant to the order of the Court granted on December 4, 2015, until further order of the Court, by Wabush Iron and Wabush Resources to the Monitor, to be held in trust by the Monitor, pending final determination by the Court or settlement between Wabush Iron, Wabush Resources and MFC as to what amounts, if any, should be paid to MFC under the Wabush Sub-Lease for such period of time.

"Employee Plans" means all written or oral employee benefit, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation, phantom stock option, Pension Plans,

savings, vacation pay, severance or termination pay, retirement, supplementary retirement (including, for greater certainty, the supplemental retirement arrangement plan for certain current and former salaried employees of Wabush Mines), hospitalization insurance, salary continuation, legal, health or other medical, dental, life, disability or other benefits or insurance (whether insured or self-insured) plan, program, agreement or arrangement, including post-termination or retirement benefit plans, and every other written or oral benefit plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Vendors or any Affiliate of the Vendors for the benefit of the Employees, former employees, directors, officers and their dependents or beneficiaries by which the Vendors are bound or with respect to which the Vendors participate or have any actual or potential Liability.

“Employees” means all individuals who, as of the Closing Date, are employed by any Vendor in the Business, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence, all individuals who have been placed on temporary lay-off which has not expired, and all individuals who have recall rights which have not expired under the Expired Collective Bargaining Agreement, including the Unionized Employees, and **“Employee”** means any one of them.

“Encumbrances” means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, floating charges, mortgages, pledges, assignments, conditional sales, warrants, adverse claims, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

“Environmental Claim” means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom whether incurred or arising before or after Closing by or from any Person alleging liability of whatever kind or nature arising out of, based on or resulting from: (i) the presence of, Release of, or exposure to any Hazardous Materials at, on or under the Scully Mine; or (ii) any non-compliance with any Environmental Law; other than, for greater certainty, (x) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time and (y) any claim that may be made by any Aboriginal or Innu band, Aboriginal or Innu group, Aboriginal or Innu community, Aboriginal or Innu people or Aboriginal or Innu person in relation to environmental damage that was caused by or occurred as a result of the development or operation of or activities at the Scully Mine prior to the Closing Time.

“Environmental Law” means any Applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (i) relating to pollution (or the investigation or cleanup thereof), the management or protection of natural resources, endangered or threatened species, human health or safety, or the protection or quality of the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (ii) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

“Environmental Liabilities” means, to the extent not extinguished pursuant to the Claims Procedure Order, all past, present and future obligations and Liabilities of whatsoever nature or kind, other than Excluded Liabilities, arising from or relating to any Environmental Matter or any Environmental Claim.

“Environmental Matters” means: (i) the presence or Release, whether occurring before or after Closing, of Hazardous Materials at, on or under the Scully Mine; or (ii) any Reclamation Obligation; other than, for greater certainty, (x) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time and (y) any claim that may be made by any Aboriginal or Innu band, Aboriginal or Innu group, Aboriginal or Innu community, Aboriginal or Innu people or Aboriginal or Innu person in relation to environmental damage that was caused by or occurred as a result of the development or operation of or activities at the Scully Mine prior to the Closing Time.

“Environmental Obligations” has the meaning set forth in Section 6.9.

“Environmental Permit” means any Permit and Licence, letter, clearance, consent, waiver, Closure Plan, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“Excluded Assets” means the properties and assets of the Vendors listed on Schedule “G”.

“Excluded Liabilities” means all Liabilities of the Vendors including without limitation the Liabilities listed on Schedule “E-1”, in each case, other than the Assumed Liabilities, Environmental Obligations and the Environmental Liabilities.

“Expired Collective Bargaining Agreement” means the collective bargaining agreement in respect of the Unionized Employees effective as of March 1, 2009 as amended by the Closure Settlement Agreement between Wabush Mines, Wabush Lake Railway and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and the United Steel Workers, Local 6285 dated as of November 25, 2014, as it may have been further amended, modified, restated or supplemented from time to time prior to its expiry, and any related letter of understanding or other similar agreement entered into by the same parties.

“General Conveyance” means a general conveyance and assumption of liabilities, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities.

“Governmental Authority” means:

- (1) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (2) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing,

regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;

- (3) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (4) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, securities commission or professional association.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

“Guarantee” has the meaning set forth in Section 6.15.

“Hazardous Materials” means: (i) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or animal life or harm or impair the health of any individual and includes any contaminant, waste or substance or material defined, prohibited, regulated or reportable pursuant to any Applicable Law relating to the environment, pollution or human health and safety, in each case, whether naturally occurring or manmade; and (ii) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“ICA” means the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.).

“Intellectual Property” means all intellectual property and industrial property Related to the Business, throughout the world, whether or not registerable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all (i) trade-marks, corporate names and business names, (ii) inventions, (iii) works and subject matter in which copyright, neighbouring rights or moral rights subsist, (iv) industrial designs, (v) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored, (vi) telephone numbers and facsimile numbers, (vii) registered domain names, and (viii) social media usernames and other internet identities and all account information relating thereto.

“Interim Period” means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

“IOC” means the Iron Ore Company of Canada.

“ITA” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supplement).

“Knoll Lake” means Knoll Lake Minerals Limited, a corporation existing under the laws of Canada.

“Knoll Lake Shares” means the aggregate common stock of Knoll Lake legally and beneficially owned by Wabush Resources and Wabush Iron.

“Law” has the meaning set out in the definition of **“Applicable Law”**.

“Legal Proceeding” means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

“Liability” means, with respect to any Person, any liability, debt, dues, guarantee, surety, indemnity obligation, or other obligation of such Person of any kind, character or description, whether legal, beneficial or equitable, known or unknown, present or future, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due or accruing due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Lot 2, 3 and 4 Mining Lease” has the meaning set out in Schedule “O”.

“Manganese Reduction Equipment” means all right, title and interest, if any, of the Vendors in the components, machinery, tools and other related personal property in respect of the manganese reduction equipment located in Meadville, Pennsylvania that is Related to the Business.

“MFC” means MFC Bancorp Ltd.

“Mining Leases” means the leases, sub-leases, including, without limitation, the Wabush Sub-Lease, surface rights leases, and related rights of the Vendors to explore, develop, extract, mine and conduct other related activities in respect of the Scully Mine, and the Business.

“Mining Rights” means the Mining Leases, mining claims, mining concessions and any other mining or mineral rights related to the Scully Mine and the Business issued to, granted to or otherwise conferred upon or otherwise acquired by the Vendors, as listed on Schedule “H”.

“Mining Rights Transfer” means a mining rights transfer as required by the Minister of Natural Resources of Newfoundland and Labrador, satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors’ right, title and interest in and to the Mining Rights located in the Province of Newfoundland and Labrador and **“Mining Rights Transfers”** means more than one of them.

“Monitor” has the meaning set out in Recital A.

“Monitor’s Certificate” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order, to be delivered by the Monitor to the

Vendors and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received, among other things, the Conditions Certificates.

“Non-Unionized Employees” means all Employees other than Unionized Employees.

“Northern Land” means Northern Land Company Limited, a corporation existing under the laws of Newfoundland and Labrador.

“Northern Land Indebtedness” means, collectively, the outstanding principal amount of, and accrued and unpaid interest on, any indebtedness advanced by or on behalf of Wabush Iron to Northern Land, whether or not evidenced by bonds, debentures, notes, promissory notes or other similar debt securities or instruments (whether certificated or uncertificated) advanced by or on behalf of Wabush Iron to Northern Land (including, without limitation, the outstanding principal amount remaining under a loan in the original principal amount of CAD\$10,000,000 made on or about March 5, 2012 by Wabush Iron to Northern Land).

“Northern Land ROFR Waiver” means a consent and waiver, in form and substance satisfactory to the Vendors, in their sole discretion, confirming that IOC consents to the sale of the Northern Land Shares and Northern Land Indebtedness as contemplated by this Agreement and waives its rights of first refusal under the Subscription Agreement in respect of the purchase of the Northern Land Shares and Northern Land Indebtedness.

“Northern Land Shares” means all right, title and interest of Wabush Iron in shares in the capital of Northern Land.

“Obligations” has the meaning set forth in Section 6.15.

“Outside Date” means July 31st, 2017 or such later date as the Parties may mutually agree.

“Owned Real Property” has the meaning set out in Schedule “I”.

“Parent” has the meaning set out in the preamble hereto.

“Party” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means more than one of them.

“Pension Plans” means the Salaried Pension Plan and the Unionized Pension Plan.

“Permits and Licences” means any and all licences, permits, approvals, authorizations, certificates, directives, orders, variances, registrations, rights, privileges, concessions or franchises issued, granted, conferred or otherwise created by any Governmental Authority and held by or on behalf of the Vendors or other evidence of authority Related to the Business issued to, granted to, conferred upon, or otherwise created for, the Vendors which relate to the ownership, maintenance, operation or reclamation of the Scully Mine.

“Permitted Encumbrances” means the Encumbrances related to the Purchased Assets listed on Schedule “J”.

“Person” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“Personal Information” means information about an identifiable individual as defined in Privacy Law.

“Personal Property” means any and all vehicles, equipment, parts, inventory of spare parts, parts and supplies, mine facilities (including maintenance shops, load out bins, crushers, mills, spirals, hydro-sizers, dryers, separation units), furniture and any other tangible personal property in which the Vendors have a beneficial right, title or interest, in all cases, Related to the Business, located at the Scully Mine or otherwise in the province of Newfoundland and Labrador (and including those in possession of suppliers, customers and other third parties) other than Excluded Assets.

“Personal Property Lease” means a Personal Property lease, chattel lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the Vendors is a party or under which it has rights to use Personal Property.

“Post-Closing Assigned Contracts” has the meaning set out in Section 2.3(5)(iii).

“Post-Closing Assigned Contract Costs” has the meaning set out in Section 2.3(5)(iii).

“Processing Plant” means the iron ore processing facility including crushers, mills, spirals, hydro-sizers, dryers, separation units, load out bins, workshops, warehouse and offices located at the Scully Mine.

“Privacy Law” means the *Personal Information Protection and Electronic Documents Act* (Canada).

“Proprietary Marks” has the meaning set out in Section 6.11.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Assets” means those assets Related to the Business in respect of the Scully Mine as set out in Schedule “K”, but, for greater certainty, does not include the Excluded Assets.

“Purchaser” has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof in accordance with Section 10.17.

“Purchaser Closure Plan” means the Closure Plan submitted by the Purchaser to the Government of Newfoundland, Department of Natural Resources, in respect of the Scully Mine.

“RBA APAs” means, collectively, (i) the amended & restated asset purchase agreement dated as of September 22, 2016 among The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources and Wabush Iron, as vendors, and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser, as such amended and restated asset purchase agreement may be further supplemented, modified, amended and/or restated

from time to time in accordance with its terms, and (ii) the asset purchase agreement dated as of October 11, 2016 among The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources and Wabush Iron, as vendors, and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser, as such asset purchase agreement may be amended, restated or supplemented from time to time in accordance with its terms.

“Real Property Leases” means the leases in respect of real property listed on Schedule “L”.

“Reclamation Obligation” means the obligations and commitments of any Vendor of any nature whatsoever under Applicable Law, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise, for the reclamation of the Scully Mine or any real property constituting Purchased Assets, including the obligations and costs of reclamation, decommissioning, rehabilitation and restoration set forth in any Closure Plan.

“Related to the Business” means (i) used in, (ii) arising from or (iii) otherwise related to the Business or any part thereof.

“Release” includes any actual release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the natural environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“Remittance Date” has the meaning set out in Section 3.5(4).

“Removed Contract” means any Assigned Contract that is removed by the Purchaser from Schedule “D” by no later than June 16, 2017, and **“Removed Contracts”** means all such Contracts. For greater certainty and subject to Section 2.3(6), the Cure Costs applicable to any Removed Contract shall be removed from Schedule “O”.

“Replacement Collective Bargaining Agreement” means a new collective agreement entered into by the Purchaser and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and the United Steel Workers, Local 6285 which has been duly ratified and filed in accordance with Applicable Law, and which replaces the Expired Collective Bargaining Agreement.

“Replacement Financial Assurance” means the replacement financial assurance package in form and substance satisfactory to the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources, in respect of the Purchaser Closure Plan.

“Replacement Financial Assurances Condition Date” means June 16, 2017.

“Replacement Permit and Licence” means a new permit, licence, authorization, approval or other similar item providing substantially equivalent rights to the Purchaser as the Vendors are entitled to as of the Closing Date pursuant to the applicable Permit and Licence.

“Representative” when used with respect to a Person means each director, officer, employee, consultant, subcontractor, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Required Regulatory Approval” means the regulatory approval identified on Schedule “C”.

“Salaried Pension Plan” means the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (Newfoundland and Labrador Pension Benefits Standards Division Registration Number 0021314).

“Sale Advisor” means Moelis & Company LLC.

“Service List” means the service list maintained in connection with the CCAA Proceedings and posted on the Monitor’s website maintained in connection with the CCAA Proceedings.

“Scully Mine” has the meaning set out in Recital C.

“Shares” means the Knoll Lake Shares and the Northern Land Shares.

“SISP Team” means the CCAA Parties, the Sale Advisor and the Monitor.

“Subscription Agreement” means the Subscription Agreement dated August 3, 1959 between Northern Land, IOC and Wabush Iron, as amended, restated and supplemented from time to time.

“Target Closing Date” means the third Business Day following the later of the issuance of the Approval and Vesting Order and the Assignment Order.

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto, and any interest in respect of such additions or penalties;

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, information returns, statements and forms in respect of Taxes that are required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“Transaction Personal Information” means any Personal Information in the possession, custody or control of the Vendors at the Closing Time, including Personal Information about Employees, suppliers, customers, directors, officers or shareholders that is:

- (1) disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Time by the Vendors, the Monitor or the Sale Advisor or any of their Representatives; or
- (2) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Time from any member of the Vendors, the Monitor or the Sale Advisor or any of their Representatives,

in either case in connection with the transactions contemplated by this Agreement.

“Transfer Taxes” means all applicable Taxes, including any applicable GST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement (for greater certainty, excluding any income Taxes of the Vendors).

“Union” means the United Steelworkers, Local 6285.

“Unionized Employees” means all Employees who have rights under the Expired Collective Bargaining Agreement.

“Unionized Pension Plan” means the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Railway Company, Limited (Newfoundland and Labrador Pension Benefits Standards Division Registration Number 0024699; Office of the Superintendent of Financial Institutions Registration Number 57777).

“Unionized Pension Beneficiary Notice” means a letter to members and beneficiaries of the Unionized Pension Plan in the form of Schedule “P”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“Vendor Closure Plan” means the Closure Plan submitted by Wabush Mines, Scully Mine Division, to the Government of Newfoundland, Department of Natural Resources, in respect of the Scully Mine.

“Vendor Surety Bonds” means the surety and other bonds and/or letters of credit posted or delivered by or on behalf of one or more of the Vendors and/or any of its/their Affiliates with Governmental Authorities or any other Persons to secure obligations of such Vendor, as set out in Schedule “M”.

“Vendors” has the meaning set out in the preamble hereto.

“Vendors’ Knowledge” means the actual knowledge, after reasonable inquiry, of Clifford T. Smith, officer of each of the Vendors, and Patrick Ryan (Senior Area Manager Utilities & Facilities of the Scully Mine), Edward Power (Section Manager of the Scully

Mine), Anthony Cranford (Area Manager of the Scully Mine), and Kevin Barry (Section Manager of the Scully Mine).

“Wabush CCAA Parties” has the meaning set out in Recital B.

“Wabush Iron” means Wabush Iron Co. Limited, a corporation existing under the laws of the State of Ohio.

“Wabush Lake Railway” means the federally regulated railway, the tracks of which are shown in blue on Schedule “B”, which connects the Scully Mine to the railway tracks owned by Northern Land previously used for, among other things, the transportation of iron ore concentrate from the Scully Mine.

“Wabush Lake Railway Company” means Wabush Lake Railway Company Limited, a corporation existing under the laws of Newfoundland and Labrador.

“Wabush Mine Care and Maintenance Plan” means the care and maintenance plan for Wabush Mines in respect of the Scully Mine prepared by AMEC Environment and Infrastructure dated March 31, 2014 which was amended on August 20, 2014 and approved by the Government of Newfoundland and Labrador, Department of Natural Resources on September 23, 2014.

“Wabush Mines” means an unincorporated contractual joint venture called “Wabush Mines” pursuant to which Wabush Resources and Wabush Iron have, respectively, undivided 73.17% and 26.83% co-ownership interests in the underlying assets and liabilities of the joint venture.

“Wabush Mountain Area” means those lands and premises leased to Newfoundland and Labrador Corporation Limited from the Province of Newfoundland and Labrador as more particularly described in two indentures dated May 15th, 1962, registered at the Registry of Deeds for the province of Newfoundland and Labrador at Volume 577 Folios 522-543 and 564-593, as each may be amended, restated, supplemented, assigned or modified from time to time.

“Wabush Mountain Area Mining Lease” has the meaning set out in Schedule “O”.

“Wabush Resources” means Wabush Resources Inc., a corporation existing under the laws of Canada.

“Wabush Sub-Lease” means the Amendment and Consolidation of Mining Leases dated September 2, 1959 initially made between Canadian Javelin Limited (now MFC), as lessor, and Wabush Iron, as lessee, as the same has been amended and assigned from time to time, pursuant to which Wabush Mines has been granted rights to conduct mining operations at the Scully Mine.

“WHSCC” means the Workplace Health, Safety and Compensation Commission established under the *Workplace Health, Safety and Compensation Act*, RSNL 1990 Chapter W-11, as amended.

1.2 Actions on Non-Business Days. If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have

been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations. Except as otherwise expressly provided in this Agreement: (i) all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada; and (ii) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account of the Monitor specified by the payee, by cash, by certified cheque or by any other method that provides immediately available funds as agreed to between the Parties, with the consent of the Monitor.

1.4 Calculation of Time. In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

1.5 Tender. Any tender of documents or money hereunder may be made upon the Parties or, if so indicated, the Monitor, or their respective counsel.

1.6 Additional Rules of Interpretation.

(1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(2) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.

(4) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

(5) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.7 Schedules and Exhibits. The following are the Schedules and Exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

<u>Schedule "A"</u>	Form of Approval and Vesting Order
<u>Schedule "A-1"</u>	Form of Assignment Order
<u>Schedule "B"</u>	Map Showing Wabush Lake Railway
<u>Schedule "C"</u>	Required Regulatory Approval
<u>Schedule "D"</u>	Assigned Contracts
<u>Schedule "E"</u>	Assumed Liabilities
<u>Schedule "E-1"</u>	Excluded Liabilities
<u>Schedule "F"</u>	Critical Permits and Licences
<u>Schedule "G"</u>	Excluded Assets
<u>Schedule "H"</u>	Mining Rights
<u>Schedule "I"</u>	Owned Real Property
<u>Schedule "J"</u>	Permitted Encumbrances
<u>Schedule "K"</u>	Purchased Assets
<u>Schedule "L"</u>	Real Property Leases
<u>Schedule "M"</u>	Vendor Surety Bonds
<u>Schedule "N"</u>	Allocation of Purchase Price
<u>Schedule "O"</u>	Cure Costs
<u>Schedule "P"</u>	Form of Unionized Pension Beneficiary Notice

EXHIBITS

<u>Exhibit "A"</u>	Form of Access Agreement
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Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and Exhibits and the interpretation provisions set out in this Agreement apply to the Schedules and Exhibits. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules and Exhibits to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Purchased Assets. At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Vendors shall sell to the Purchaser, and the Purchaser shall purchase from the Vendors, all of the Vendors' right, title and interest in and to the Purchased Assets, which shall be (i) free and clear of all Encumbrances other than Permitted Encumbrances, to the extent and as provided for in the Approval and Vesting Order, and (ii) conveyed to the Purchaser in the following sequence: first the Shares and the Northern Land Indebtedness and immediately thereafter, the remaining

Purchased Assets. For greater certainty, notwithstanding any other provision of this Agreement, this Agreement does not constitute an agreement by the Purchaser to purchase, or by the Vendors to sell, any Excluded Asset.

2.2 Assumption of Assumed Liabilities. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Excluded Liability. The Purchaser shall be responsible for the Environmental Liabilities and the Environmental Obligations pursuant to Section 6.9.

2.3 Assignment of Contracts.

(1) *Obtaining Consents.* Prior to Closing, the Vendors, with the assistance of and in consultation with the Purchaser, shall use commercially reasonable efforts to obtain all consents required to assign the Assigned Contracts to the Purchaser (or its Designated Affiliate, as applicable).

(2) *Assignment Order.* To the extent that any Assigned Contract (other than any Additional Non-Assignment Order Assigned Contract) is not assignable without the consent of the counterparty or any other Person and such consent has not been obtained prior to the date that the Vendors file the motion for the Assignment Order (unless such consent is obtained prior to the first scheduled hearing date of the motion for the granting of the Assignment Order), (i) the Vendors' rights, benefits and interests in, to and under such Assigned Contract shall be conveyed to the Purchaser (or its Designated Affiliate, as applicable) pursuant to the Assignment Order, (ii) the Vendors will use commercially reasonable efforts to obtain the Assignment Order in respect of such Assigned Contract on or prior to the Approval and Vesting Order Deadline Date, in form and substance acceptable to the Purchaser, acting reasonably, and (iii) if the Assignment Order is obtained in respect of such Assigned Contract, in form and substance acceptable to the Purchaser, acting reasonably, the Purchaser (or its Designated Affiliate, as applicable) shall accept the assignment of such Assigned Contract on such terms. For greater certainty, the form of Assignment Order attached as Schedule "A-1" hereto is acceptable to the Purchaser in both form and substance and shall not relate to any Additional Non-Assignment Order Assigned Contract.

(3) *Cure Costs.* To the extent that Cure Costs are payable in respect of any Assigned Contract, the Purchaser shall pay all Cure Costs up to the amount of the Cure Cost Threshold in respect of such Assigned Contract, or such lesser or additional amounts as the Purchaser and applicable counterparty may agree, to the Monitor at or prior to Closing. For the avoidance of doubt, the Cure Cost Threshold shall be calculated on a Contract-by-Contract basis and any available threshold from one Contract shall not be available for another Contract. Such Cure Costs received by the Monitor shall be held by the Monitor and disbursed in accordance with the Approval and Vesting Order and the Assignment Order. The Cure Costs paid by the Purchaser to the Monitor shall be in addition to the Cash Purchase Price received by the Vendors for the Purchased Assets. Any amounts paid to the Monitor by the Purchaser as Cure Costs in respect of an Assigned Contract which is finally determined or agreed to by the applicable counterparty thereto to be in excess of the actual amount of Cure Costs owing in respect of such Assigned Contract, will be returned to the Purchaser in accordance with the Assignment Order, and the Purchase Price shall be reduced to reflect the return of such amounts.

(4) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(5) below) and the Approval and Vesting Order and the Assignment Order, all of the Vendors' rights, benefits and interests in, to and under the Assigned Contracts shall be assigned to the Purchaser (or its Designated Affiliate, as applicable), the consideration for which is included in the Purchase Price.

(5) *Where Consent Required.*

- (i) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (ii) The Vendors shall continue to pay the Disputed Post-Filing Royalties to the Monitor in trust until the earlier of Closing or as otherwise ordered by the Court, to be held by the Monitor, pending final determination by the Court or settlement between Wabush Iron, Wabush Resources and MFC as to MFC's entitlement if any, to the Disputed Post-Filing Royalties.
- (iii) The Vendors shall not, without the prior written consent of the Purchaser, agree to any modification of any such Assigned Contracts. If a consent to transferring such Assigned Contracts to the Purchaser (or its Designated Affiliate, as applicable) is not obtained or such assignment is not attainable (collectively, the "**Post-Closing Assigned Contracts**"), the Vendors and the Purchaser will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Purchaser (or its Designated Affiliate, as applicable) will obtain the benefits, and assume the liabilities and obligations, related to any such Post-Closing Assigned Contracts in accordance with this Agreement; provided, however, that the Purchaser acknowledges and agrees that (i) nothing in this Section 2.3(5) shall operate to prohibit or diminish in any way the right of a Vendor to dissolve, windup or otherwise cease operations as it may determine in its sole discretion, or require any Vendor to take any illegal action or commit fraud on any Person, (ii) the obligations of the Vendors under this Section 2.3(5) to implement the mutually agreeable arrangements described above shall expire sixty (60) days after Closing, (iii) the Purchaser shall be responsible for and pay the costs that are incurred or become owing by the Vendors, if any, in relation to any Post-Closing Assigned Contract, including the amounts, if any, to be paid to remedy all monetary defaults under any Post-Closing Assigned Contract for the period from the date that this Agreement is entered into by the Parties to the earlier of (a) the date upon which the Purchaser confirms that it no longer desires to assume such Post-Closing Assigned Contract, and (b) sixty (60) days after Closing (such amounts being, the "**Post-Closing Assigned Contract Costs**"), and (iv) the Vendors shall retain the right at any time to disclaim or terminate any Contract that is

not an Assigned Contract at the time of that disclaimer or termination, provided that if such proposed disclaimer or termination occurs prior to Closing, the Vendors shall provide the Purchaser with two (2) Business Days' notice of any such proposed disclaimer or termination, upon which the Purchaser may request that such Contract become either an Additional Assignment Order Assigned Contract (if prior to the Assignment Order Contract Deadline) or an Additional Non-Assignment Order Assigned Contract (if after the Assignment Order Contract Deadline).

- (iv) For greater certainty, (i) after Closing, the Vendors shall be entitled to disclaim or terminate any Contract that is not an Assigned Contract, without any notice to the Purchaser, and (ii) on the earlier of (a) the date upon which the Purchaser confirms that it no longer desires to assume any of the Post-Closing Assigned Contracts, and (b) sixty (60) days after Closing, the Vendors shall be entitled to disclaim or terminate such Post-Closing Assigned Contracts without any notice to the Purchaser.

(6) *Removed Contracts.* The Vendors shall retain the right at any time to disclaim or terminate any Removed Contract without any notice to the Purchaser.

(7) *No Adjustment.* For greater certainty, in respect of (i) any Removed Contract, and (ii) any Additional Non-Assignment Order Assigned Contract, if the consent of any Person is required to assign such Contract but such consent is not obtained prior to Closing, such Contract shall not form part of the Purchased Assets and (i) neither Party shall be considered to be in breach of this Agreement, (ii) the failure to assign or otherwise transfer such Removed Contract or Additional Non-Assignment Order Assigned Contract shall not be a condition to Closing, (iii) the Purchase Price shall not be subject to any adjustment, and (iv) the Closing shall not be delayed.

(8) *Intercompany Corporate Services.* Any corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services Related to the Business provided by any of the Vendors to any Affiliate or by any Affiliate to any of the Vendors prior to Closing will be terminated as of the Closing, and the Purchaser acknowledges and agrees that it shall be responsible for providing its own corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services in respect of the Purchased Assets following Closing.

(9) *Designated Affiliate.* Prior to the Assignment Order Contract Deadline, the Purchaser may, with the consent of the Vendors, acting reasonably, designate any one or more Affiliates to be the assignee of all of the Vendors' rights, benefits and interests in, to and under any one or more of the Assigned Contracts (such Affiliate so designated prior to the Assignment Order Contract Deadline, the "**Designated Affiliate**").

2.4 Transfer and Assignment of Permits and Licences.

(1) *Obtaining Consents.* Prior to Closing, to the extent that (i) a Permit and Licence is assignable or otherwise transferable by any Vendor to the Purchaser (ii) the Purchaser provides the Vendors with written notice requesting an assignment or transfer of such Permit and Licence at least five (5) days before the scheduled date of the hearing for the Court's

issuance of the Approval and Vesting Order, and (iii) the Purchaser preauthorizes and otherwise agrees to pay for any costs that such Vendor is required to pay to third parties and/or Governmental Authorities in connection with obtaining the assignment or transfer of any such Permit and Licence to the Purchaser (which costs shall be in addition to the Purchase Price), then such Vendor, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain any consents or approvals to assign or otherwise transfer such Permits and Licences to the Purchaser.

(2) *Transfer and Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Vendors' rights, benefits and interests in, to and under the Permits and Licences, to the extent assignable, shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

(3) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or otherwise transfer any Permit and Licence to the extent such Permit and Licence is not assignable or transferable under Applicable Law or the terms of the applicable Permit and Licence provide that it is not assignable without the consent of another Person, unless such consent has been obtained.

(4) *Post-Closing Assignment.* Notwithstanding anything in this Agreement to the contrary, if the consent or approval of any Person is required to assign or otherwise transfer a Permit and Licence, other than a Critical Permit and Licence, but such consent or approval is not obtained prior to Closing, (i) the Vendors and the Purchaser shall use their commercially reasonable efforts to obtain the necessary consents or approvals to the assignment or transfer of such Permit and Licence to the Purchaser or the Purchaser shall use its commercially reasonable efforts to obtain (with commercially reasonable assistance from the Vendors) a Replacement Permit and Licence thereof, in each case, as soon as practicable following Closing, (ii) neither Party shall be considered to be in breach of this Agreement, (iii) the failure to assign or otherwise transfer such Permit and Licence or obtain any Replacement Permit or Licence, shall not be a condition to Closing, (iv) the Purchase Price shall not be subject to adjustment, and (v) the Closing shall not be delayed.

2.5 Transfer of Shares.

(1) *Northern Land ROFR Waiver.* At the time of execution of this Agreement, the Purchaser shall have provided the Vendors with a copy of the Northern Land ROFR Waiver, duly executed by IOC.

(2) *Obtaining Consents.* Prior to Closing, the Vendors, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain any consents required to transfer the Shares and the Northern Land Indebtedness to the Purchaser.

(3) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Vendors' rights, benefits and interests in, to and under the Shares and the Northern Land Indebtedness shall be transferred to the Purchaser, the consideration for which is included in the Purchase Price.

**ARTICLE 3
PURCHASE PRICE & TAXES**

3.1 Purchase Price. The consideration payable by the Purchaser to the Vendors for the Vendors' right, title and interest in and to the Purchased Assets (the "**Purchase Price**") shall be the aggregate of:

- (1) \$2,050,000 (the "**Cash Purchase Price**");
- (2) the agreed value of the Assumed Liabilities as set forth in Schedule "N"; and
- (3) agreed value of the payment of the Cure Costs payable by the Purchaser hereunder, as set forth in Schedule "N", subject to adjustment in accordance with Section 2.3(3).

3.2 Satisfaction of Purchase Price. The Purchase Price shall be paid and satisfied at Closing as follows:

- (1) a deposit in the amount of \$750,000 (the "**Deposit**") which has been paid by the Purchaser to the Monitor and which shall be applied against the Cash Purchase Price on Closing. The Purchaser agrees that it waives any accrued interest earned on the Deposit;
- (2) the balance of the Cash Purchase Price, after crediting the Deposit in Section 3.2(1), shall be paid by the Purchaser to the Monitor on behalf of the Vendors;
- (3) an amount equal to the agreed value of the Assumed Liabilities, as set out in Schedule "N" shall be satisfied by the assumption by the Purchaser of the Assumed Liabilities by the execution and delivery of the Assignment and Assumption Agreement; and
- (4) the Cure Costs payable by the Purchaser hereunder shall be paid (or shall have been paid) by the Purchaser to the Monitor in accordance with Section 2.3(3).

3.3 Allocation of Purchase Price. The Parties agree that the Purchase Price shall be allocated among the Purchased Assets in the manner set forth in Schedule "N". The Purchaser and the Vendors shall report an allocation of the Purchase Price among the Purchased Assets in a manner entirely consistent with Schedule "N" and shall not take any position inconsistent therewith in the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax Returns.

3.4 Taxes. In addition to the Purchase Price, the Purchaser shall be liable for and shall, at Closing, pay all applicable Transfer Taxes. Notwithstanding the foregoing, the Parties acknowledge that the Purchaser will not be required to pay at Closing any Transfer Taxes for which the Purchaser is required or permitted under Applicable Law to self-assess, including any GST/HST related to any portion of the Purchase Price allocated to real property.

3.5 Section 116 of ITA.

- (1) Wabush Iron shall take all reasonable steps to obtain and deliver to the Purchaser on or before Closing a certificate of compliance issued by the Minister of National

Revenue (Canada) under subsection 116(2) or 116(4) of the *ITA* in respect of its disposition of the 116(2) Property and a certificate of compliance issued by the Minister of National Revenue (Canada) under subsection 116(5.2) of the *ITA* in respect of its disposition of the 116(5.2) Property. Wabush Iron shall submit an initial application for any applicable Certificate of Compliance (as defined below) to the CRA no later than ten (10) days following the date hereof. Wabush Iron shall take all commercially reasonable steps to complete such application and obtain a Certificate of Compliance and shall use commercially reasonable efforts to keep the Purchaser's counsel informed of all material developments related to such process, both prior to and after the Closing, including by providing the Purchaser with a copy of the initial application (subject to such redactions as Wabush Iron determines, acting reasonably, to be appropriate in respect of any tax information of Wabush Iron contained therein). A certificate issued by the Minister of National Revenue (Canada) under subsection 116(2) or 116(4) of the *ITA* in respect of the 116(2) Property or under subsection 116(5.2) of the *ITA* in respect of the 116(5.2) Property is hereinafter referred to as a "**Certificate of Compliance**".

(2) If a Certificate of Compliance in respect of the 116(2) Property is delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron at Closing, twenty-five percent (25%) of the amount, if any, by which such portion of the Purchase Price exceeds the certificate limit specified in such certificate. If a Certificate of Compliance in respect of the 116(2) Property is not delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron at Closing, twenty-five percent (25%) of such portion of the Purchase Price.

(3) If a Certificate of Compliance in respect of the 116(5.2) Property is delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron at Closing, fifty percent (50%) of the amount, if any, by which such portion of the Purchase Price exceeds the certificate limit specified in such certificate. If a Certificate of Compliance in respect of the 116(5.2) Property is not delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron at Closing, fifty percent (50%) of such portion of the Purchase Price. For the purposes of determining (a) the amount that the Purchaser is entitled to withhold at Closing under this Section 3.5 if a Certificate of Compliance in respect of the 116(2) Property and 116(5.2) Property are not delivered to the Purchaser at Closing and (b) the amount that the Purchaser is entitled to remit to the Receiver General for Canada in accordance with Section 3.5(5) if a Certificate of Compliance in respect of the 116(2) Property and 116(5.2) Property are not delivered to the Purchaser on or before the Remittance Date, the Parties agree that the Purchaser shall be allowed to treat any portion of the Purchase Price payable to Wabush Iron that is allocated to inventory as if it had been allocated to 116(5.2) Property; provided, for greater certainty, that the amounts, if any, to be remitted to the Receiver General for Canada for the benefit of Wabush Iron on delivery of a Certificate of Compliance in accordance with this Section 3.5 shall be determined based on the Purchase Price allocation agreed to by the Parties in accordance with Section 3.3 and as set forth in Schedule "N", subject to Section 3.5(9).

(4) Where the Purchaser has withheld any amount under Section 3.5(2) or (3) and Wabush Iron delivers a Certificate of Compliance to the Purchaser after Closing and on or before the twenty-seventh day of the calendar month following the calendar month in which the Closing occurs (the "**Remittance Date**"), the Purchaser shall:

- (a) where the certificate is delivered under subsection 116(2) or (4) of the *ITA*, remit forthwith to the Receiver General for Canada for the account of Wabush Iron twenty-five percent (25%) of the amount, if any, by which the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron exceeds the certificate limit fixed in such certificate and pay forthwith to the Monitor, in trust for the benefit of Wabush Iron, any amount that the Purchaser has withheld in respect of the 116(2) Property in excess of such amount; and
- (b) where the certificate is delivered under subsection 116(5.2) of the *ITA*, remit forthwith to the Receiver General for Canada for the account of Wabush Iron fifty percent (50%) of the amount, if any, by which the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron exceeds the certificate limit fixed in such certificate and pay forthwith to the Monitor, in trust for the benefit of Wabush Iron, any amount that the Purchaser has withheld in respect of the 116(5.2) Property in excess of such amount.

(5) Where the Purchaser has withheld any amount under Section 3.5(2) and no Certificate of Compliance has been delivered to the Purchaser in respect of the 116(2) Property on or prior to the Remittance Date, or where the Purchaser has withheld any amount under Section 3.5(3) and no Certificate of Compliance has been delivered to the Purchaser in respect of the 116(5.2) Property on or prior to the Remittance Date, such amount shall be remitted by the Purchaser to the Receiver General for Canada for the account of Wabush Iron in accordance with section 116 of the *ITA*.

(6) For the avoidance of doubt, the Purchaser shall not remit any amount referred to in Section 3.5(5) to the Receiver General for Canada before the Remittance Date, as such date may be extended pursuant to Section 3.5(7).

(7) Notwithstanding anything to the contrary in this Section 3.5, if prior to the Remittance Date, the Purchaser has received a comfort letter issued by the CRA in form and substance satisfactory to the Purchaser, acting reasonably, extending the time period under which the Purchaser is required to remit an amount in respect of the Purchase Price for the account of Wabush Iron without being subject to interest or penalties, the Purchaser shall not make any remittance to the Receiver General for Canada on the date that would otherwise be the Remittance Date and the Remittance Date shall be extended indefinitely, or until the Purchaser receives notification from the CRA that such comfort letter is no longer in effect.

(8) Notwithstanding anything to the contrary in this Section 3.5, any amounts withheld by the Purchaser pursuant to this Section 3.5 shall be remitted to and held by the Monitor, in trust for the benefit of Wabush Iron in a Canadian dollar-denominated non-interest bearing deposit account with a Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) until paid out of trust to the Monitor on behalf of Wabush Iron, or remitted to the Receiver General for Canada for the account of Wabush Iron in accordance with this Section 3.5.

(9) Notwithstanding anything to the contrary in this Section 3.5, if, in connection with the delivery of Certificates of Compliance in accordance with Section 3.5(2), (3) or (4), Wabush Iron provides evidence to the Purchaser that the CRA has issued such Certificates of Compliance based on an alternative allocation of the Purchase Price to the allocation agreed to

by the Parties in accordance with Section 3.3 as set forth in Schedule “N”, (the “**Alternative Allocation**”), the amounts required to be remitted to the Receiver General for Canada for the account of Wabush Iron and the amounts required to be paid to the Monitor for the benefit of Wabush Iron pursuant to this Section 3.5 in connection with the delivery of such certificates shall be determined based on such Alternative Allocation. Wabush Iron will inform the Purchaser of any discussions between the CRA and Wabush Iron as it relates to the allocation of the Purchase Price and provide the Purchaser with copies of all correspondence related thereto (subject to such redactions as Wabush Iron determines, acting reasonably, to be appropriate in respect of any tax information of Wabush Iron contained therein).

(10) A copy of any Certificate of Compliance, other certificates, notices, comfort letters, correspondence or any other document sent by any Vendor or the Purchaser, or received by any Vendor or the Purchaser, pursuant to this Section 3.5 shall be sent promptly to the Monitor by the applicable Vendor or the Purchaser.

(11) For greater certainty, the Purchaser shall be entitled to satisfy any withholding provided for under this Section 3.5 by directing the Vendors and the Monitor to retain in escrow with the Monitor the full amount of the Cash Purchase Price (including the Deposit), if the amount permitted to be withheld under this Section 3.5 is equal to or exceeds the Cash Purchase Price.

3.6 Tax Elections.

(1) *Section 167 Election.* If available, at the Closing, each Vendor and the Purchaser shall execute jointly an election under section 167 of the *Excise Tax Act* (Canada) and, if applicable, to have the sale of the Purchased Assets take place on a GST/HST-free basis under Part IX of the *Excise Tax Act* (Canada). The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

(2) *Subsection 20(24) Tax Election.* If applicable, at the Closing or as soon as reasonably practicable thereafter, the Purchaser and the Vendors shall jointly execute and file an election under subsection 20(24) of the *ITA* in the manner required by subsection 20(25) of the *ITA* and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the *ITA* and under any other applicable provincial or territorial statute, as to such amount paid by the applicable Vendors to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendors acknowledge that a portion of the Purchased Assets transferred by each applicable Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *ITA* and the equivalent provisions of any applicable provincial or territorial statute in the relevant election, is being transferred by such Vendor as a payment for the assumption of such future obligations by the Purchaser.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Purchaser. As a material inducement to the Vendors entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendors are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 4.1, the Purchaser represents and warrants to the Vendors as follows:

(1) *Incorporation and Corporate Power.* The Purchaser is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation. The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Purchaser.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

(3) *Approvals.* Other than the Required Regulatory Approval, no consent, waiver, authorization or approval of any Person and no notice or declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement or all other agreements and instruments to be executed by the Purchaser or the performance by the Purchaser of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. There is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Governmental Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.

(5) *ICA.* The Purchaser is a “non-Canadian” within the meaning of section 3 of the *ICA*, and a “WTO investor” within Section 14.1(6) of the *ICA*.

(6) *Excise Tax Act.* The Purchaser is, or upon Closing shall be, registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada), and shall provide its registration number to the Vendors at or prior to Closing.

(7) *Commissions.* The Vendors will not be liable for any brokerage commission, finder’s fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Purchaser.

(8) *Sufficient Funds.* The Purchaser has sufficient financial resources or has arranged sufficient financing for it to pay the Cash Purchase Price, the Cure Costs payable by the Purchaser hereunder, and the Transfer Taxes and to procure the Replacement Financial Assurance.

(9) *Replacement Collective Bargaining Agreement.* The Purchaser has entered into a Replacement Collective Bargaining Agreement which is effective no later than Closing and is not assuming and/or becoming the successor in relation to any Employee Plans or obligations or Liabilities related thereto under the Replacement Collective Bargaining Agreement.

4.2 Representations and Warranties of the Parent. As a material inducement to the Vendors entering into this Agreement and completing the transactions contemplated by this

Agreement and acknowledging that the Vendors are entering into this Agreement in reliance upon the representations and warranties of the Parent set out in this Section 4.2, the Parent represents and warrants to the Vendors as follows:

(1) *Incorporation and Corporate Power.* The Parent is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation. The Parent has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by the Parent.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Parent.

(3) *Approvals.* No consent, waiver, authorization or approval of any Person and no notice or declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Parent of this Agreement or all other agreements and instruments to be executed by the Parent or the performance by the Parent of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Parent enforceable against the Parent in accordance with its terms. There is no Legal Proceeding in progress, pending, or, to the actual knowledge of the officers of the Parent, threatened against or affecting the Parent, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Governmental Order outstanding against or affecting the Parent which, in any such case, affects adversely or might affect adversely the ability of the Parent to enter into this Agreement or to perform its obligations hereunder.

4.3 Representations and Warranties of the Vendors. As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendors set out in this Section 4.3 but subject to section 4.4(9) hereof, the Vendors severally represent and warrant to the Purchaser as follows

(1) *Incorporation and Corporate Power.* Wabush Iron is a corporation incorporated, organized and subsisting under the laws of the State of Ohio. Wabush Resources is a corporation incorporated, organized and subsisting under the federal laws of Canada. Wabush Mines is an unincorporated contractual joint venture between Wabush Resources and Wabush Iron. Wabush Lake Railway Company is a corporation incorporated, organized and subsisting under the laws of Newfoundland and Labrador. Subject to the granting of the Approval and Vesting Order, the Vendors have the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and to perform their other obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Vendors.* Subject to the granting of the Approval and Vesting Order, the execution and delivery of this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and the completion of the transactions

contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Vendors.

(3) *Approvals.* Subject to the granting of the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no notice or declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Vendors of this Agreement or all other agreements and instruments to be executed by any of the Vendors or the performance by any of the Vendors of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Vendors enforceable against the Vendors in accordance with its terms.

(5) *Title to the Purchased Assets.* The Vendors own, and have good and marketable title to, the Purchased Assets, and, subject to the granting of the Approval and Vesting Order, the Purchased Assets will be capable of being sold to the Purchaser free and clear of any Encumbrances other than Permitted Encumbrances, and other than the Excluded Assets, no other Person owns any property and assets which are being used in the Business as currently conducted, except for the Mining Leases.

(6) *Mining Rights and Mining Leases.*

(i) To the Vendors' Knowledge, in respect of the Mining Rights listed in Schedule "H" and the Mining Leases listed in Schedules "H" and "L", except as disclosed in (a) the Data Room, (b) the materials filed in the CCAA Proceedings, (c) this Agreement, (d) any real property or mining rights registry in respect of such Mining Rights and such Mining Leases or in any agreement registered in such real property or mining rights registry, and (e) any of such Mining Leases,

a. the Vendors are exclusively entitled to all rights and benefits as lessee, subtenant, occupant or licensee under such Mining Leases, and no Vendor has sublet, assigned, licensed or otherwise conveyed any rights in such Mining Leases to any other Person; and

b. There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would have an adverse effect on the Vendors' interest in such Mining Rights or such Mining Leases.

(7) *Aboriginal Matters.* Except as disclosed in the Data Room, to the Vendors' Knowledge, none of the Vendors (i) are a party to any written arrangement or agreement with an Aboriginal or Innu band, community or group in relation to the environment or development of communities in the vicinity of the Scully Mine; (ii) in the past five (5) years are or have been engaged in any disputes, or negotiations with any Aboriginal or Innu band, community or group in respect of the Scully Mine; or (iii) in the past five (5) years have received notice of any claim in writing, either from an Aboriginal or Innu band, community or group or any Governmental Authority, indicating that the Scully Mine has in any way infringed upon or has an adverse effect on any aboriginal rights or interests.

(8) *Environmental Matters.* To the Vendors' Knowledge, except as disclosed in (a) the Data Room, (b) the materials filed in the CCAA Proceedings, (c) the proof of claim dated December 11, 2015 filed by Her Majesty in Right of Newfoundland and Labrador, and (d) this Agreement, there is no outstanding or threatened material Environmental Claims related to the operation of the Scully Mine.

(9) *Employees.* The Vendors confirm that to the Vendors' Knowledge, as of the Closing Date there are no Unionized Employees under the Expired Collective Bargaining Agreement, and there are no outstanding grievances under the Expired Collective Bargaining Agreement.

(10) *ITA.* The Vendors (other than Wabush Iron) are not non-residents of Canada for purposes of the *ITA*.

(11) *Excise Tax Act.* The Vendors are registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and their GST/HST numbers are:

Wabush Iron:	105566251
Wabush Resources:	881498307
Wabush Lake Railway Company:	105566269

(12) *Commissions.* The Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendors. The Vendors will be responsible for payment of any fees and other amounts charged by the Sale Advisor in connection with the transactions contemplated by this Agreement.

4.4 As is, Where is. Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

(1) except for the representations and warranties of the Vendors set forth in Section 4.3 but subject to subsection (9) hereof, it is entering into this Agreement, acquiring the Purchased Assets, assuming the Assumed Liabilities and agreeing to be responsible for the Environmental Liabilities and the Environmental Obligations on an "as is, where is" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal or any other warranty and at the risk of the Purchaser;

(2) it has had the opportunity to conduct to its satisfaction such independent searches, investigations and inspections of the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations as it deemed appropriate, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;

(3) except as expressly stated in Section 4.3 but subject to subsection (9) hereof, neither the Vendors nor any other Person is making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendors' right, title or interest in or to the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities or the Environmental Obligations, including with respect to merchantability, physical or financial

condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts/and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;

(4) without limiting the generality of the foregoing, no representation, warranty or covenant is given by the SISP Team or any of the SISP Team's Representatives that the Scully Mine or any other Purchased Assets are or can be made operational within a specified time frame or will achieve any particular level of service, use, production capacity or actual production if made operational;

(5) without limiting the generality of the foregoing, except as expressly stated in Section 4.3 but subject to subsection (9) hereof, the Vendors have made no representation or warranty as to any regulatory approvals, Permits and Licences, consents or authorizations that may be needed to complete the transactions contemplated by this Agreement or to operate or carry on the Business or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

(6) all written and oral information obtained from any member of the SISP Team or any of the SISP Team's Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in the Data Room, management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations has been obtained for the convenience of the Purchaser only, and no member of the SISP Team nor any of the SISP Team's Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information;

(7) except as expressly set forth in Section 4.3 but subject to subsection (9) hereof, any information regarding or describing the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities or the Environmental Obligations in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the SISP Team or any of the SISP Team's Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions;

(8) except as expressly set forth in Section 4.3 but subject to subsection (9) hereof, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against any member of the SISP Team or any of the SISP Team's Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights;

(9) none of the representations and warranties of the Vendors contained in this Agreement shall survive Closing and, subject to Section 9.3(2), the Purchaser's sole recourse for any breach of representation or warranty of the Vendors in Section 4.3 shall be for the Purchaser not to complete the transactions as contemplated by this Agreement and for greater certainty the Purchaser shall have no recourse or claim of any kind against the Vendors, any of the Vendors' Representatives, the SISP Team or any of the SISP Team's Representatives before or after Closing or against the proceeds of the transactions contemplated by this Agreement following Closing; and

(10) this Section 4.4 shall not merge on Closing and is deemed incorporated by reference in all closing documents and deliveries.

ARTICLE 5 EMPLOYEES

5.1 Unionized Employees. The Vendors shall retain all Liabilities for salary, wages, bonuses and vacation pay, overtime pay, contributions to or premiums payable with respect to the Employee Plans, commissions and other compensation accruing prior to the Closing Date. The Vendors retain all Liabilities for any indemnities in lieu of notice and indemnities in lieu of notice of collective dismissal, severance pay and all related costs provided for in Applicable Law in respect of the layoff of all former or current Unionized Employees prior to the Closing Date, whether such Liabilities in respect of the foregoing indemnities and related costs occurred before, during or after the Closing Date, the whole in accordance with Applicable Law and any relevant Governmental Order, including of the Court. The Vendors will be responsible for any amount that becomes payable to a former or current Unionized Employee laid off prior to the Closing Date in respect of the period before the Closing Date, including any Governmental Order to pay back pay, damages, benefits, punitive damages or exemplary damages and all related costs. The Vendors shall also remain liable for severances outstanding as of the Closing Date but, only in respect of the period before the Closing Date. The Vendors shall remain liable for grievances outstanding as of the Closing Date that were in respect of the period before the Closing Date.

5.2 Non-Unionized Employees. The Vendors shall, prior to the Closing Time, terminate the employment of those Non-Unionized Employees Related to the Business effective on the Closing Date, and the Vendors retain all Liabilities for salary, wages, bonuses, overtime pay, contributions to or premiums payable with respect to the Employee Plans, vacation pay, commissions and other compensations accruing on or before the Closing Date prior to the Closing Time, and, severance payments, damages for wrongful dismissal, back pay Governmental Orders, indemnities in lieu of notice, indemnities in lieu of notice of collective dismissal and all related costs in respect of the termination of the employment of all Non-Unionized Employees prior to the Closing Time, whether such Liabilities materialize before, during or after the Closing Date, the whole in accordance with Applicable Law and any relevant Governmental Order, including of the Court. Should the Vendors fail to terminate Non-Unionized Employees in accordance with Applicable Law, the Vendors shall be responsible for any amount that becomes payable to a Non-Unionized Employee terminated prior to the Closing Time, including any Governmental Order to pay back pay, damages, benefits, punitive damages or exemplary damages and all related costs.

5.3 Employee Plans. The Vendors shall retain any and all Liabilities relating to, pursuant to or in connection with any Employee Plan.

5.4 Employee claims and WHSCC. The Vendors shall retain and continue to be responsible for any and all liabilities arising out of or relating to any and all claims of Employees, their dependents and members of their families for any and all injuries sustained as a result of their employment with the Vendors including, without limitation, impairments, industrial diseases, injuries and deaths (including asbestos-related, inhalable dust-related or silica-related claims) arising by reason of any occurrence prior to the Closing Time, whether known or claimed prior to Closing whether or not such claims for damages, losses and compensation are made to the WHSCC or maintained in a legal action. It is expressly agreed and understood that nothing herein contained shall in any way or at any time obligate the Purchasers to compensate any Employees of the Vendors for any such injuries.

ARTICLE 6 COVENANTS

6.1 Covenants Relating to this Agreement. Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and, subject to the directions of the Court, use commercially reasonable efforts with regard to the limited personnel currently employed by the Vendors, to do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall and, where appropriate, shall cause each of its wholly owned Affiliates to:

(1) use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment on or before the Target Closing Date of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and

(2) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.

6.2 Motions for Approval and Vesting Order and Assignment Order. The Vendors shall file with the Court, as soon as practicable following the execution and delivery of this Agreement, a motion seeking the Court's issuance of the Approval and Vesting Order and, if necessary, the Assignment Order. The (i) motion record(s) in connection with the Approval and Vesting Order and Assignment Order shall, by no later than June 16, 2017, be served by the Vendors on the Service List and such other Persons as the Purchaser may reasonably request, and (ii) the Unionized Pension Beneficiary Notice shall, by no later than June 6, 2017 or such later date as the Parties may agree upon, be sent by way of regular mail by Morneau Shepell, administrator of the Unionized Pension Plan, to the members and beneficiaries of the Unionized Pension Plan, and a copy of such Unionized Pension Beneficiary Notice (or a summary thereof) shall be published thereafter in a newspaper of local distribution in Labrador. The Vendors shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and, if necessary, the Assignment Order. The Purchaser shall cooperate and if applicable, shall cause its Designated Affiliate to cooperate with the Vendors in their efforts to obtain the issuance and entry of the Approval and Vesting Order and, if necessary, the Assignment Order. The Purchaser, at its own expense, will

promptly provide (and if applicable, cause its Designated Affiliate to provide) to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably require to obtain the Approval and Vesting Order and, if necessary, the Assignment Order.

6.3 Access During Interim Period. During the Interim Period, the Vendors shall give, subject to any safety restrictions, or cause to be given, to the Purchaser and its Representatives reasonable access during normal business hours to the Purchased Assets, including the Books and Records located at the Scully Mine site, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Purchased Assets as the Purchaser deems reasonably necessary or desirable to further familiarize itself with the Business and the Purchased Assets and in connection with any filings, meetings and proposals made before any Governmental Authority in connection with the consummation of the transactions contemplated under this Agreement. Without limiting the generality of the foregoing, the Purchaser shall be permitted reasonable access during normal business hours to all Books and Records relating to information scheduled or required to be disclosed under this Agreement. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and peril, during normal business hours, and without undue interference with the operations of the care and maintenance activities being conducted at the Scully Mine and the Vendors shall cooperate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.4 Transaction Personal Information. Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall cause its Representatives to observe the terms of this Section 6.4 and to protect and safeguard Transaction Personal Information in their possession in accordance with Privacy Law. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the transactions contemplated by this Agreement. The Purchaser shall not, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information (i) for purposes other than those for which such Transaction Personal Information was collected by any Vendor prior to the Closing and (ii) for a purpose which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

6.5 Risk of Loss. The Purchased Assets shall be at the risk of the Vendors until Closing. If before the Closing (i) the Processing Plant is damaged or destroyed and the replacement cost in relation to such damage or destruction (as determined by the Purchaser, acting reasonably) is greater than \$5,000,000 or (ii) a material portion of the Purchased Assets are expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure shall have been given in accordance with Applicable Law, the Vendors shall promptly provide notice to the Purchaser in writing of any such destruction, expropriation or seizure, and the Purchaser, in its discretion, acting reasonably, shall have the option, exercisable by notice to the Vendors given prior to the Closing Time to promptly terminate this Agreement and to not complete the transactions contemplated by this Agreement, as provided in Section 9.1(2).

6.6 Care and Maintenance during Interim Period. During the Interim Period, the Vendors shall continue to maintain, care for and preserve the Purchased Assets, in

substantially the same manner as conducted on the date of this Agreement and the Vendors will not remove any of the Purchased Assets from the Scully Mine, the Owned Real Property or the property subject to the Real Property Leases. In addition, during the Interim Period, the Vendors shall not without the prior written consent of the Purchaser, directly or indirectly, cause Knoll Lake to (i) make any changes to its constating documents, (ii) effect any dissolution, winding-up, liquidation or termination, or (iii) make any dividend or profit sharing distribution or similar payment of any kind.

6.7 Indemnity. The Purchaser hereby indemnifies the Vendors, the Vendors' Affiliates and their respective Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (1) any Transfer Taxes (including penalties and interest) which may be assessed against any Vendor, including any Taxes which may be assessed against any Vendor in the event that any election made pursuant to Section 3.6 is challenged by the relevant Governmental Authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;
- (2) any Post-Closing Assigned Contract Costs; and
- (3) the Purchaser's access in accordance with Section 6.3.

For greater certainty, if any Transfer Taxes (including interest and penalties) are assessed against one or more of the Vendors by a Governmental Authority, such Vendor(s) shall forthwith send the Purchaser a copy of any written notice or documentation from such Governmental Authority indicating the amount of Transfer Taxes that were assessed. The Purchaser (i) shall indemnify the Vendor(s) for the assessed amounts pursuant to Section (1) and forthwith provide the Vendor(s) with written confirmation of same and pay the amount of any assessment for Transfer Taxes to the relevant Governmental Authority pending challenge of such assessment, and (ii) provided that the Purchaser has provided the written confirmation and paid such assessed amount pursuant to the foregoing clause (i), shall have the sole and exclusive right, at its own expense, to assume or direct a challenge of such assessment, including the pursuit of the compromise or settlement of the challenge and the conduct of any related legal, administrative or other similar proceedings. Subject to Section 10.7, the Vendors shall use commercially reasonable efforts to cooperate with the Purchaser in relation to the challenge. Any refunds obtained from the Governmental Authorities in connection with such challenge shall belong solely to the Purchaser.

6.8 Books and Records. The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor and the Vendors, their respective successors, and any trustee in bankruptcy or receiver of the Vendors, and shall permit any of the foregoing persons to take copies of such Books and Records as they may require. As soon as practicable following Closing and in any event no later than thirty (30) days following Closing, the Vendors shall deliver, at the cost of the Vendors, (i) an electronic copy of all of the materials relating to the Purchased Assets on the Wabush data room established in connection with the transactions contemplated under this Agreement (the

“Data Room”), and such materials available on such electronic copy shall be unlocked, unprotected and fully available to the Purchaser, and (ii) the minute books of Knoll Lake. Until such electronic copy is provided to the Purchaser, the Vendors shall permit access to such materials on such Data Room. The Purchaser acknowledges and agrees that the minute books of Knoll Lake are the property of Knoll Lake and are only being delivered to the Purchaser following Closing as the Purchaser is acquiring the Shares.

6.9 Environmental Liabilities and Vendor Surety Bonds. The Purchaser acknowledges and agrees that upon Closing, the Purchaser shall become responsible for the payment, performance and discharge of the Environmental Liabilities. The Purchaser also acknowledges that prior to Closing, the Purchaser will undertake, on a commercially reasonable efforts basis, steps to obtain the agreement, authorization or approval of the Minister of Natural Resources under the *Mining Act* (Newfoundland and Labrador) as soon as reasonably possible following the date hereof, for the Purchaser Closure Plan, all as may be required by the applicable Governmental Authorities, and the cancellation on Closing of the Vendor Closure Plan and any Liabilities related to such Vendor Closure Plan (such steps being the “**Environmental Obligations**”).

6.10 Certain Information Technology Assets. With respect to any information technology assets Related to the Business to be acquired by the Purchaser hereunder (such as desktops, laptops, mobile phones, servers and related hardware) (collectively, “**Hardware**”), the Purchaser will co-operate with the Vendors, if the Vendors so request and at the Vendors’ cost and expense, in causing data contained or stored in such Hardware not Related to the Business, the Purchased Assets, the Assumed Liabilities, or the Environmental Obligations to be removed from such Hardware in a manner reasonably satisfactory to the Vendors prior to the Closing Date or within a reasonable period of time thereafter, provided that such removal shall be carried out in a manner that does not damage or otherwise interfere with any data contained or stored in such Hardware Related to the Business or primarily relating to the Purchased Assets. Any third party provider selected by the Purchaser and the Vendors to provide such services shall be agreed upon by the Purchaser and the Vendors, acting reasonably.

6.11 Trademarked and Branded Assets. With respect to any Purchased Assets to be acquired by the Purchaser hereunder bearing any trademarks, business names, logos or other branding of Cliffs Natural Resources Inc. (excluding, for greater certainty, any rights, title and interests in and to the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) which shall form part of the Purchased Assets) (collectively, “**Proprietary Marks**”), such Proprietary Marks do not form part of the Purchased Assets. The Purchaser will co-operate with the Vendors, at the Purchaser’s reasonable cost and expense, in removing, dismantling and/or destroying such Proprietary Marks on or contained in any of the Purchased Assets, to the satisfaction of the Vendors, acting reasonably, and nothing in this Agreement shall be construed as a licence by the Vendors to the Purchaser of any Intellectual Property that does not form a part of the Purchased Assets. From and after Closing, the Vendors shall not, and shall cause their Affiliates not to, use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) for any commercial purpose. Notwithstanding the foregoing, (i) the Vendors and/or their Affiliates shall be entitled to continue to use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) for purposes of the CCAA Proceedings or any subsequent bankruptcy of any of the CCAA Parties, and (ii) the Access Parties (as such term is defined in the Access Agreement) shall be permitted to use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) in relation to the Activities (as

such term is defined in the Access Agreement), in accordance with the terms of the Access Agreement.

6.12 Nalco-Javelin (Mineral Lands) Act no. 84 1957 (as amended). From and after the Closing Date, the Purchaser shall pay to the applicable Governmental Authority all amounts required to be paid by section 7 of the June 28, 1957 Statutory Agreement, as amended, attached as a schedule to the Nalco-Javelin (Mineral Lands) Act No. 84 of 1957, as amended.

6.13 Mining Act. Each Party shall, as promptly as possible, (i) make, or cause or be made, all filings and submissions (including those under the *Mining Act* (Newfoundland and Labrador)), as applicable, required under any Law applicable to such Party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each Party shall cooperate reasonably with the other Party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders, approvals and clearance certificates. The Parties shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

6.14 Cooperation and Consultation with Governmental Authorities. The Vendors shall, to the extent reasonably requested by the Purchaser, at their own cost and on a commercially reasonable basis with regard to the limited personnel currently employed by the Vendors, cooperate with the Purchaser and participate, either directly or through their counsel or consultants, in calls, in-person meetings and other exchanges with Governmental Authorities that are reasonably necessary in connection with the consummation of the transactions contemplated hereunder.

6.15 Guarantee. The Parent hereby absolutely, unconditionally and irrevocably guarantees to each of the Vendors the due, complete and punctual observance and performance of each and every obligation (the "**Obligations**") of the Purchaser under this Agreement arising on or before Closing, including the obligation to pay the Cash Purchase Price, the Cure Costs payable by the Purchaser hereunder and the Transfer Taxes and, subject to satisfaction or waiver of the condition precedent in Section 8.1(8), to procure the Replacement Financial Assurance. The guarantee hereinbefore referred to is called the "**Guarantee**". The Parent agrees to be jointly and severally liable with the Purchaser for the due and punctual performance of each of the Obligations. This Guarantee shall be an obligation for full and prompt performance rather than a secondary guarantee of collectability and can be enforced against the Parent directly as a primary obligor without taking action to enforce this Agreement against the Purchaser. None of the Obligations shall be limited, lessened or released, nor shall the Guarantee be discharged, by the recovery of any judgment against the Purchaser except to the extent of such recovery, by any voluntary or involuntary liquidation, dissolution, winding-up, merger or amalgamation of the Purchaser, by any sale or other disposition of all or substantially all of the assets of the Purchaser or by judicial or extra judicial receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or other proceedings affecting the Purchaser. The Obligations shall continue unaffected by any change in the name of the Purchaser or by any change whatsoever in the objects, capital structure or constitution of the Purchaser, or by the Purchaser being amalgamated, merged or otherwise combined with another corporation or by any defect in the authorization, execution or delivery by the Purchaser of this Agreement or any other agreement or instrument executed and delivered by the Purchaser pursuant to this

Agreement which may result in unenforceability of any Obligations in respect of which the Guarantee is provided pursuant to this Section 6.15 against the Purchaser. The Parent acknowledges that each of the Vendors has required, as a condition for its entry into this Agreement, that the Parent executes this Agreement and be bound by the terms of this Section 6.15. Notwithstanding any payment made by the Parent under this Agreement or any setoff, compensation or application of funds of the Parent by the Vendors, the Parent shall have no right of subrogation to, and waives, any right to enforce any remedy which the Vendors now have or may hereafter have against the Purchaser, until all of the Obligations have been indefeasibly paid or performed in full; and until that time, the Parent waives any benefit of, and any right to participate in, any right or remedies now or hereafter held by the Vendors for the Obligations. For greater certainty, in the event that there has been a material breach by the Purchaser or the Parent of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors, the Vendors may choose to either (i) enforce the Guarantee and complete the transactions contemplated by this Agreement, or (ii) in accordance with Section 9.3(1), terminate this Agreement and retain the Deposit.

6.16 Exclusive Dealing. During the Interim Period, the Vendors shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or enter into any agreement with, any Person (other than Purchaser) relating to any transaction involving the Purchased Assets. For greater certainty, the obligation of the Vendors under this Section 6.16 expires upon the earlier of Closing or termination of this Agreement pursuant to Section 9.1.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing. The Closing shall take place at 10:00 a.m. Eastern time (the “**Closing Time**”) on the Closing Date at the offices of the Vendors’ counsel in Toronto, Ontario, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendors and the Purchaser.

7.2 Vendors’ Closing Deliveries. At the Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (1) the Purchased Assets, with such delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (2) a true copy of the Approval and Vesting Order;
- (3) the General Conveyance, duly executed by the Vendors;
- (4) the Access Agreement, duly executed by the Vendors and the Monitor;
- (5) all consents to the assignment of the Assigned Contracts and Permits and Licences, to the extent obtained by the Vendors prior to Closing;
- (6) all consents to the assignment of the Critical Permits and Licences, to the extent the Purchaser has not obtained permits and licences to replace Critical Permits and Licences;

- (7) a true copy of the Assignment Order granted by the Court, if any, in respect of any Assigned Contracts (other than Additional Non-Assignment Order Assigned Contracts) for which consents to assignment were required which have not been obtained;
- (8) the Assignment and Assumption Agreement, duly executed by the Vendors;
- (9) the Deed(s) of Sale (and any affidavits required to be appended thereto for purposes of registration), duly executed by the applicable Vendors;
- (10) the Mining Rights Transfer(s), duly executed by the applicable Vendors;
- (11) a bring-down certificate executed by a senior officer of each of the Vendors dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that (i) all of the representations and warranties of such Vendor hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by such Vendor at or prior to Closing have been complied with or performed by such Vendor in all material respects;
- (12) if applicable, the documents or elections referred to in Section 3.6(1);
- (13) clearance letter from the WHSCC in respect of Wabush Mines;
- (14) (i) the resignation of the Vendors' nominees as officers of Knoll Lake and as directors to the board of directors of Knoll Lake, and (ii) evidence of the appointment of Purchaser's nominees to such board of directors by the filling of two or more of the vacancies therein, all in a manner satisfactory to the Parties, acting reasonably, and pursuant to resolutions passed at a board meeting of Knoll Lake duly called for such purpose;
- (15) the resignation of the Vendors' nominees as officers of Northern Lands and as directors to the board of directors of Northern Lands;
- (16) with respect to the Northern Land Indebtedness, a full and final release by Wabush Iron in favour of Northern Land and each of the shareholders of Northern Land, of any and all rights of reimbursement of Wabush Iron in respect of the Northern Land Indebtedness, in form and substance satisfactory to the Purchaser, acting reasonably; and
- (17) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, or as are required to be delivered by the Vendors or Vendors' counsel under this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.3 Purchaser's Closing Deliveries. At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendors (or as otherwise indicated below), the following:

- (1) the payment referred to in Section 3.2(2), which shall be made to the Monitor;
- (2) the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Monitor;
- (3) the payment of all Cure Costs payable by the Purchaser hereunder shall be made to the Monitor;
- (4) with respect to each Assigned Contract with respect to which a consent to assignment has been obtained, a full and final release, in form and substance satisfactory to the Vendors, acting reasonably, by the applicable counterparty in favour of the applicable Vendor(s) of (i) all amounts to be paid to remedy all of the monetary defaults in relation to such Assigned Contract, and (ii) all amounts accruing and owing but not yet payable or due by such Vendor(s) under or pursuant to such Assigned Contract;
- (5) the General Conveyance, duly executed by the Purchaser;
- (6) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (7) the Access Agreement, duly executed by the Purchaser;
- (8) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendors, acting reasonably, certifying that (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (9) a bring-down certificate executed by a senior officer of the Parent dated as of the Closing Date, in form and substance satisfactory to the Vendors, acting reasonably, certifying that (i) all of the representations and warranties of the Parent hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Parent at or prior to Closing have been complied with or performed by the Parent in all material respects;
- (10) if applicable, the documents or elections referred to in Section 3.6(1);
- (11) the Deed(s) of Sale, duly executed by the Purchaser;
- (12) the Mining Rights Transfer(s), duly executed by the Purchaser; and
- (13) such other agreements, documents and instruments and Deeds of Sale as may be reasonably required by the Vendors to complete the transactions provided for in this Agreement, or as are required to be delivered by the Purchaser or the

Purchaser's counsel under this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Purchaser's Conditions. The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part, such waiver to be binding on the Purchaser only if made in writing:

- (1) *Assigned Contracts Consents.* All consents necessary to assign the Assigned Contracts (other than the Additional Non-Assignment Order Assigned Contracts) to the Purchaser (or its Designated Affiliate, if applicable) shall have been obtained, or an Assignment Order shall have been issued and entered by the Court ordering the assignment of such Assigned Contracts where necessary consents have not been obtained, and any such Assignment Order shall not have been vacated, amended or stayed.
- (2) *Vendors' Deliveries.* The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (3) *No Violation of Governmental Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (4) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.3 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.
- (5) *No Breach of Covenants.* The Vendors shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendors on or before the Closing.
- (6) *Required Regulatory Approval.* The Required Regulatory Approval shall have been obtained.
- (7) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court on notice and to a service list reasonably acceptable to the Parties, and such Approval and Vesting Order shall not have been vacated, amended or stayed.

- (8) *Replacement Financial Assurance.* On or before the Replacement Financial Assurance Condition Date, the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance.

The Vendors and the Purchaser shall take all such commercially reasonable actions, steps and proceedings as are reasonably within their control, subject to the CCAA and any Governmental Order of the Court, as may be necessary to ensure that the conditions listed above in this Section 8.1 are fulfilled at or before the Closing Time.

8.2 Vendors' Conditions. The Vendors shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors, and may be waived by the Vendors in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. The Vendors and the Purchaser shall take all such actions, steps and proceedings as are reasonably within their control, subject to the CCAA and any Governmental Order of the Court, as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the Closing Time.

- (1) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court and shall not have been vacated, set aside or stayed.

- (2) *Required Regulatory Approval.* The Required Regulatory Approval shall have been obtained.

- (3) *Purchaser's Deliverables.* The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 7.3.

- (4) *No Violation of Governmental Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

- (5) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1 and Section 4.2 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.

- (6) *No Breach of Covenants.* The Purchaser and the Parent shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser and the Parent, as applicable, on or before the Closing.

- (7) *Vendor Surety Bonds.* The Vendors shall have obtained evidence satisfactory to the Vendors that all Vendor Surety Bonds have been cancelled or will be cancelled immediately after Closing and that the Vendors are no longer bound by the Vendor Closure Plan or will, immediately after Closing, no longer be bound by the Vendor Closure Plan.

(8) *Cure Cost Threshold.* The Cure Costs in respect of any Assigned Contract do not exceed the applicable Cure Cost Threshold unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold.

(9) *Replacement Financial Assurance.* On or before the Replacement Financial Assurance Condition Date, the Purchaser shall have provided evidence acceptable to the Vendors, acting reasonably, that the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance.

(10) *Northern Land ROFR Waiver.* The Vendors shall have received the Northern Land ROFR Waiver on or before execution of this Agreement.

8.3 Monitor's Certificate. When the conditions to Closing set out in Section 8.1 and Section 8.2, have been satisfied and/or waived by the Vendors or the Purchaser, as applicable, the Vendors and the Purchaser will each deliver to the Monitor written confirmation (i) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (ii) of the amounts of Transfer Taxes required to be paid at Closing (if any is payable) and the Cure Costs payable by the Purchaser on Closing (the "**Conditions Certificates**"). Upon receipt of payment in full of the Cash Purchase Price, Transfer Taxes required to be paid at Closing (if any is payable) and of the Cure Costs payable by the Purchaser on Closing, and receipt of each of the Conditions Certificates, the Monitor shall (a) issue forthwith its Monitor's Certificate concurrently to the Vendors and the Purchaser, at which time the Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendors and the Purchaser). In the case of clauses (a) and (b), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination. This Agreement may be terminated on or prior to the Closing Date:

- (1) by the mutual written agreement of the Vendors and the Purchaser, provided however, that if the Approval and Vesting Order has been issued and entered by the Court, any such termination shall require either the consent of the Monitor, or approval of the Court;
- (2) by written notice from the Purchaser to the Vendors in accordance with Section 6.5;
- (3) by the Purchaser, on the one hand, or by the Vendors, on the other hand, upon written notice to the other Parties if (i) the Approval and Vesting Order has not been obtained by the Approval and Vesting Order Deadline Date, (ii) the Court declines at any time to grant the Approval and Vesting Order, or (iii) the Required Regulatory Approval (to the extent applicable) is not obtained by the Outside Date, in each case for reasons other than a breach of this Agreement by either the Purchaser or the Parent, on the one hand, or the Vendors, on the other hand;

- (4) by written notice from the Purchaser to the Vendors if there has been a material breach by the Vendors of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 impossible by the Outside Date, or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendors, and such breach has not been cured within five (5) days following the date upon which the Vendors received such notice;
- (5) by written notice from the Purchaser to the Vendors any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided, for reasons other than as set out in Section 9.1(3), and such failure to close was not caused by or as a result of the Purchaser's or the Parent's breach of this Agreement;
- (6) by written notice from the Vendors to the Purchaser if the Cure Costs in respect of any Assigned Contract exceed the applicable Cure Cost Threshold, unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold;
- (7) by written notice from the Vendors to the Purchaser if there has been a material breach by the Purchaser or the Parent of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.2 impossible by the Outside Date, or (ii) if such breach is curable, the Vendors have provided prior written notice of such breach to the Purchaser, and such breach has not been cured within five (5) days following the date upon which the Purchaser received such notice;
- (8) by written notice from the Vendors to the Purchaser any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided for reasons, other than as set out in Section 9.1(3), and such failure to close is not caused by or as a result of the Vendors' breach of this Agreement; or
- (9) by written notice (i) from the Vendors to the Purchaser if the condition set out in Section 8.2(9) has not been satisfied or waived by the Vendors by the Replacement Financial Assurance Condition Date, or (ii) from the Purchaser to the Vendors if the condition set out in Section 8.1(8) has not been satisfied or waived by the Purchaser by the Replacement Financial Assurance Condition Date.

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 6.4 (*Transaction Personal Information*), 6.7 (*Indemnity*), 6.15 (*Guarantee*) 9.2 (*Effect of Termination*), 9.3 (*Treatment of Deposit*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.8 (*Entire Agreement*), 10.9 (*Amendment*), 10.11 (*Severability*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Monitor's Capacity*), 10.19 (*Third Party Beneficiaries*) and 10.21 (*Language*), which shall survive such termination.

9.3 Treatment of Deposit.

(1) *Retention of Deposit.* In the event that this Agreement is terminated by the Vendors pursuant to Section 9.1(7), the Deposit shall be forfeited by the Purchaser and retained by the Monitor on behalf of the Vendors as a genuine estimate of liquidated damages, and not as a penalty. In such event, the retention of the Deposit shall be the Vendors' sole and exclusive remedy for any termination of this Agreement.

(2) *Return of Deposit.* In the event that this Agreement is terminated other than as in the circumstances contemplated Section 9.1(7), the Deposit shall be promptly returned to the Purchaser by the Monitor. The return of the deposit shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement.

(3) *GST/HST Gross Up.* In the event that any payment or forfeiture under this Agreement is deemed by the *Excise Tax Act* (Canada) to include GST/HST, or is deemed by any applicable provincial or territorial legislation to include a similar value added or multi-staged tax, the amount of such payment or forfeiture shall be increased accordingly.

ARTICLE 10 GENERAL

10.1 Survival. All representations, warranties, covenants and agreements of the Vendors or the Purchaser and the Parent made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement. For greater certainty, the following sections shall survive Closing: 2.2 (*Assumption of Assumed Liabilities*), 2.3(6) (*No Adjustment*), 2.3(8) (*Intercompany Corporate Services*), 2.4(4) (*Post-Closing Assignment*), 3.3 (*Allocation of Purchase Price*), 3.4 (*Taxes*), 3.5 (*Section 116 of ITA*), 3.6 (*Tax Elections*), 4.3(12) (*Commissions*), 4.4 (*As is, Where is*), 5.1 (*Unionized Employees*), 5.2 (*Non-Unionized Employees*), 5.3 (*Employee Plans*), 6.4 (*Transaction Personal Information*); 6.7 (*Indemnity*); 6.8 (*Books and Records*), 6.9 (*Environmental Liabilities and Vendor Surety Bonds*), 6.10 (*Certain Information Technology Assets*), 6.11 (*Trademarked and Branded Assets*), 6.12 (*Nalco-Javelin (Mineral Lands) Act no. 84 1957*), 6.15 (*Guarantee*), 8.3 (*Monitor's Certificate*), 9.3 (*Treatment of Deposit*), 10.1 (*Survival*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.5 (*Time of Essence*), 10.6 (*Further Assurances*), 10.7 (*Post-Closing Wind-Up of CCAA Proceedings*), 10.8 (*Entire Agreement*), 10.9 (*Amendment*), 10.10 (*Waiver*), 10.11 (*Severability*), 10.12 (*Remedies Cumulative*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Monitor's Capacity*), 10.19 (*Third Party Beneficiaries*) and 10.21 (*Language*).

10.2 Expenses. Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers). Notwithstanding the forgoing, the cost of retaining a notary and a land surveyor, if necessary, in connection with the preparation of the legal descriptions of the Owned Real Property, real property subject to the Real Property Leases and the Mining Rights shall be borne by the Purchaser.

10.3 Public Announcements. The Vendors shall be entitled to disclose this Agreement and all information provided by the Purchaser and/or the Parent in connection herewith to the Court and parties of interest in the CCAA Proceedings, and a copy of this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. The Vendors and the Purchaser and the Parent shall not issue (prior to or after the Closing) any press release or make (i) any derogatory public statement or derogatory public communication with respect to any of the Parties or (ii) any public statement or public communication with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed, provided, however, that a Party may, without the prior consent of the other Parties, issue such press release or make such public statement as may, upon the advice of counsel, be required by Applicable Law or by any Governmental Authority with competent jurisdiction including any applicable securities Laws. Notwithstanding any other provision of this Agreement, unless such information is otherwise publicly disclosed or, upon the advice of counsel, required by Applicable Law or by any Governmental Authority to be disclosed (including in any Tax Returns), the Purchaser and the Parent shall not disclose the quantum of the Purchase Price, Cash Purchase Price, Deposit or allocation of Purchase Price as set out in Schedule "N" to any Person without the prior written consent of the Vendors and the Monitor.

10.4 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(2) if to the Vendors, to:

Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Lake Railway
Company Limited
c/o 199 Bay Street, Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

Attention: James Graham, General Counsel and Secretary /
Clifford T. Smith, Officer

Email: James.Graham@CliffsNR.com / Clifford.Smith@CliffsNR.com

with a copy (which shall not constitute notice) to:

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

Attention: Thomas A. McKee/ Milly Chow

Email: tom.mckee@blakes.com / milly.chow@blakes.com

(3) if to the Purchaser or the Parent, to:

c/o Tacora Resources Inc.

102 NE 3rd Street
Suite 120
Grand Rapids, Minnesota 55744
Attention: Joe Broking
Email: joe.broking@magnetation.com

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street,
Toronto, ON M5L 1B9
Attention: John Ciardullo / Amanda Linett
Email: jciardullo@stikeman.com / alinett@stikeman.com

- (4) and in either case, with a copy to the Monitor, to:

FTI Consulting Canada Inc.
TD South Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8
Attention: Nigel Meakin
Email: nigel.meakin@fticonsulting.com

and

Norton Rose Fulbright Canada LLP
1 Place Ville Marie, Suite 2500
Montréal, QC H3B1R1
Attention: Sylvain Rigaud
Email: sylvain.rigaud@nortonrosefulbright.com

(5) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(6) *Change of Address.* Any Party may from time to time change its address under this Section 10.4 by notice to the other Party given in the manner provided by this Section 10.4.

10.5 Time of Essence. Time shall be of the essence of this Agreement in all respects.

10.6 Further Assurances. The Vendors and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably

require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.7 Post-Closing Wind-Up of CCAA Proceedings. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall operate to restrict in any way the rights of the Vendors to distribute any of their assets or otherwise wind up the CCAA Proceedings as they may determine in their sole discretion after the Closing, even if doing so may impair the Vendors' ability to provide or perform any further cooperation, assistance or further assurances as may otherwise be provided under this Agreement.

10.8 Entire Agreement. Other than the Confidentiality Agreement among each of the Vendors and the Purchaser dated January 17, 2017 (the "**Confidentiality Agreement**"), this Agreement and the agreements contemplated hereby constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement. The Parties acknowledge and agree that effective as at Closing, the Confidentiality Agreement shall be mutually terminated and that neither Party shall have any further obligations thereunder.

10.9 Amendment. No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

10.10 Waiver. A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

10.11 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.12 Remedies Cumulative. The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

10.14 Dispute Resolution. If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court

may direct. Without prejudice to the ability of the Vendors or the Purchaser to enforce this Agreement in any other proper jurisdiction, the Purchaser and the Vendors irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of Québec.

10.15 Attornment. Each Party agrees (i) that any Legal Proceeding relating to this Agreement may (but need not) be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (ii) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (iii) not to oppose the enforcement against it in any other jurisdiction of any Governmental Order duly obtained from the Court as contemplated by this Section 10.15. Each Party agrees that service of process on such Party as provided in Section 10.4 shall be deemed effective service of process on such Party.

10.16 Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.17 Assignment. Prior to the issuance of the Approval and Vesting Order, the Purchaser may assign all of its rights and obligations under this Agreement to an Affiliate, provided that (i) the Purchaser shall remain liable to perform all of its obligations hereunder, and (ii) the Purchaser and its assignee execute and deliver to the Vendors an assignment and assumption agreement, in form and substance satisfactory to the Vendors, acting reasonably, evidencing such assignment. Other than in accordance with the preceding sentence, neither the Purchaser nor the Parent may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

10.18 Monitor's Capacity. The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendors in the CCAA Proceedings, will have no Liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal capacity or otherwise.

10.19 Third Party Beneficiaries. Except as set forth in Section 4.4(3) in respect of any Person, Section 4.4(4), Section 4.4(6), Section 4.4(7), Section 4.4(8) and Section 4.4(9) in respect of the SISP Team or any of the SISP Team's Representatives, Section 6.7 in respect of the Vendors' Affiliates and the Representatives of the Vendors and the Vendor's Affiliates and Section 6.8 in respect of the Monitor, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement; provided that in respect of Section 6.7, each of the Parties hereby appoints the Vendors or any subsequent duly authorized representative of the Vendors or trustee in bankruptcy of the Vendors as the trustee(s) for each of the Persons specified in Section 6.7 of the confirmations and covenants of the Purchaser with respect to such Persons and the Vendors hereby accept such appointment.

10.20 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

10.21 Language. The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language. Les parties aux présentes ont exigé que le présent contrat et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

WABUSH IRON CO. LIMITED

By: Clifford T Smith
Name: Clifford T Smith
Title: President

I have authority to bind the corporation

WABUSH RESOURCES INC.

By: Clifford T Smith
Name: Clifford T Smith
Title: President

I have authority to bind the corporation

WABUSH LAKE RAILWAY COMPANY LIMITED

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

I have authority to bind the corporation

TACORA RESOURCES INC.

By: _____
Name:
Title:

I have authority to bind the corporation.

MAGGLOBAL LLC

By: _____
Name:
Title:

I have authority to bind the corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

WABUSH IRON CO. LIMITED

By: _____
Name:
Title:

I have authority to bind the corporation

WABUSH RESOURCES INC.

By: _____
Name:
Title:

I have authority to bind the corporation

WABUSH LAKE RAILWAY COMPANY LIMITED

By: _____
Name:
Title:

I have authority to bind the corporation

TACORA RESOURCES INC.

By: Larry Lehtinen
Name: Larry Lehtinen
Title: CEO

I have authority to bind the corporation.

MAGGLOBAL LLC

By: Larry Lehtinen
Name: Larry Lehtinen
Title: CEO

I have authority to bind the corporation.

SCHEDULE "A"

FORM OF APPROVAL AND VESTING ORDER

SUPERIOR COURT
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N^o: 500-11-048114-157

DATE: [DATE]____, 2017

PRESIDING: THE HONOURABLE STEPHEN W. HAMILTON J.S.C.

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-

WABUSH MINES

TACORA RESOURCES INC.

MAGGLOBAL LLC

THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND LABRADOR

THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION OF [INSERT DIVISION]

THE REGISTRAR OF MOTOR VEHICLES FOR THE PROVINCE OF NEWFOUNDLAND AND LABRADOR

THE DIRECTOR OF COMMERCIAL REGISTRATIONS FOR THE PROVINCE OF NEWFOUNDLAND AND LABRADOR

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

APPROVAL AND VESTING ORDER

- [1] **ON READING** the Petitioners' *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the **[NUMBER]** Report of the Monitor dated **[DATE]**, (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys; and
- [4] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (as may be amended, modified or supplemented in accordance with this Order, the "**Purchase Agreement**") dated as of June 2, 2017 by and among Wabush Iron Co. Limited, Wabush Resources Inc., and Wabush Lake Railway Company Limited as vendors (collectively, the "**Vendors**"), Tacora Resources Inc. as purchaser (and together with its permitted assigns under the Purchase Agreement, the "**Purchaser**"), MagGlobal LLC, as guarantor (the "**Parent Entity**"), a copy of which was filed as Exhibit [●] to the Motion, and vesting in the Purchaser all of Vendors' right, title and interest in and to all of the Purchased Assets.

FOR THESE REASONS, THE COURT HEREBY:

- [5] **GRANTS** the Motion.
- [6] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

SERVICE

- [7] **ORDERS AND DECLARES** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof and, for greater certainty, the service of notice of this Motion upon the beneficiaries of the Pension Plans in the manner described in the Motion is approved *nunc pro tunc* and no further service of this Motion upon the beneficiaries of the Pension Plans shall be required.
- [8] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [9] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendors is hereby authorized and approved, *nunc*

pro tunc, without prejudice to the rights of creditors to object to the allocation of proceeds as among them for distribution purposes.

- [10] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

AUTHORIZATION

- [11] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Transaction and that no other approval or authorization, including any board or shareholder approval, shall be required in connection therewith.

EXECUTION OF DOCUMENTATION

- [12] **AUTHORIZES AND DIRECTS** the Vendors, Purchaser, Parent Entity and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement (Exhibit R [●]), with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto.

VESTING OF THE PURCHASED ASSETS

- [13] **ORDERS AND DECLARES** that upon the issuance of the Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, titles, benefits, priorities, claims (direct, indirect, absolute or contingent), liabilities, obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing (i) all Encumbrances created by order of this Court, (ii) all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Newfoundland and Labrador *Personal Property Security Act*, or any other applicable legislation providing for a security interest in personal or movable property, (iii) any Encumbrance in respect of the Employee Plans (including, without limitation, any funding or pension benefit obligations under the Pension Plans), or (iv) any Encumbrance for any occupational health, safety matters or any personal injury or other claims (including, without limitation, any asbestos-related, inhalable dust-related or silica-related claims, whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time, and assessments to the WHSCC for the period prior to the Closing Time, excluding, in each case, (a) the permitted encumbrances, easements and

restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**"), (b) the Assumed Liabilities, (c) the Environmental Obligations, and (d) the Environmental Liabilities, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Monitor's Certificate.

- [14] **ORDERS AND DIRECTS** the Monitor, upon receipt of (i) payment in full of the Cash Purchase Price, Transfer Taxes (if any are payable at Closing) for remittance to the applicable taxation authorities in accordance with Applicable Law, and of the Cure Costs payable by the Purchaser on Closing in the amounts set out in the Conditions Certificates, and (ii) each of the Conditions Certificates, to (a) issue forthwith the Monitor's Certificate concurrently to the Vendors and the Purchaser; and (b) file forthwith after issuance thereof a copy of the Monitor's Certificate with the Court.
- [15] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Monitor's Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [16] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Cash Purchase Price, and to remit the Cash Purchase Price in accordance with the provisions of this Order.

TRANSFERS AND CANCELLATION OF SECURITY REGISTRATIONS

- [17] **ORDERS** the Registrar of the Registry Office for the Registration Division of **[INSERT DIVISION]**, upon presentation of the Monitor's Certificate and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the owner of the immovable property identified in **Schedule "C"** hereto (the "**Immovable Property**") and (ii) to cancel any and all Encumbrances on the Immovable Property (other than Permitted Encumbrances), including, without limitation, the registrations published at the said Registry Office listed on **Schedule "D"** hereto.
- [18] **ORDERS** the Registrar of the Registry Office for the Registration Division of **[INSERT DIVISION]**, upon presentation of the Monitor's Certificate and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the holder of the mining rights identified in **Schedule "E"** hereto (the "**Mining Rights**") and (ii) to cancel any and all Encumbrances on the Mining Rights (other than Permitted Encumbrances), including, without limitation, the registrations published at the said Registry Office listed on **Schedule "D"** hereto.
- [19] **ORDERS** the Mineral Claims Recorder under the *Mineral Act* (Newfoundland and Labrador), upon presentation of a Deed of Conveyance and Mining Rights Transfers in registrable form under the *Mineral Act* (Newfoundland and Labrador) duly executed by any one or more Vendors selling, assigning, transferring and conveying mineral rights in Newfoundland and Labrador to the Purchaser, appending a copy of this Order and the Monitor's Certificate, to register such Deed of Conveyance and Mining Rights Transfers in the applicable registries maintained under the *Mineral Act* (Newfoundland and Labrador), including the Concessions Registry maintained by the Mineral Claims Recorder.

- [20] **ORDERS** the Registrar of Deeds for the Province of Newfoundland and Labrador, upon presentation of a Deed of Conveyance in registrable form under the Registration of *Deeds Act, 2009* (Newfoundland and Labrador) duly executed by any one or more Vendors selling, assigning, transferring and conveying real property in Newfoundland and Labrador to the Purchaser, appending a copy of this Order and the Monitor's Certificate, to (i) register such Deed of Conveyance in the Registry of Deeds for Newfoundland and Labrador and **[(ii) to cancel any and all Encumbrances on the Conveyance (other than Permitted Encumbrances)]** including, without limitation, the registrations listed on **Schedule "D"** hereto]
- [21] **ORDERS** the Registrar of Motor Vehicles for the Province of Newfoundland and Labrador, upon presentation of a Bills of Sale duly executed by any one or more Vendors selling, assigning, and transferring vehicles registered in Newfoundland and Labrador to the Purchaser, and upon payment of the prescribed fee, to transfer registration of said vehicles to the Purchaser.
- [22] **AUTHORIZES** the Purchaser and/or its solicitors or agents to file one or more financing change statements to discharge from the Personal Property Registry for the Province of Newfoundland and Labrador any registrations therein against any of the Personal Property being purchased by the Purchaser, to the extent the security interest is registered against the interest of any one or more Vendors.

NET PROCEEDS

- [23] **ORDERS** that any amounts payable to the Vendors in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor at or prior to Closing and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendors pending further order of the Court.
- [24] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after Closing, to remit (i) to each counterparty to an Assigned Contract who consents to the assignment of its Assigned Contract to the Purchaser, or such related party as the Purchaser may designate in accordance with Section [•] of the Purchase Agreement, the Cure Costs received by the Monitor from the Purchaser in respect of that Assigned Contract in the amount agreed between that counterparty and the Purchaser as directed by the Purchaser to the Monitor in writing prior to or on Closing, (ii) to each counterparty to an Assigned Contract that is assigned to the Purchaser, or such related party as the Purchaser may designate, pursuant to the Assignment Order, the Cure Costs received by the Monitor from the Purchaser in respect of that Assigned Contract in the amount determined by the Court in accordance with the Assignment Order, and (iii) to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes (if any are payable at Closing) received by the Monitor from the Purchaser and, if required pursuant to Section 3.5 of the Purchase Agreement, any amounts held by the Monitor in trust pursuant to Section 3.5(8) of the Purchase Agreement and payable to the Receiver General for Canada for the account of Wabush Iron, at the direction of, and on behalf of the Vendors; provided; however, that any Cure Costs applicable to the Wabush Sub-Lease shall be paid only at the times, in the amounts, and to the parties as determined in accordance with the Assignment Order.
- [25] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for the Cure Costs, Transfer Taxes (if any are payable) and any other amounts that are

remitted by the Monitor pursuant to Paragraph 24 of this Order (the “**Net Proceeds**”) shall stand in the place and stead of the Purchased Assets, and that upon the issuance of the Monitor’s Certificate, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing, as if the Purchased Assets had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the Closing.

[26] **ORDERS** that, following the issuance of the Monitor’s Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

PROTECTION OF PERSONAL INFORMATION

[27] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Vendors are authorized and permitted to disclose to the Purchaser all human resources and payroll information in the Vendors’ records pertaining to the Vendors’ past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

VALIDITY OF THE TRANSACTION

[28] **ORDERS** that notwithstanding:

- a) the pendency of the proceedings under the CCAA;
- b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition;
- c) any application for a receivership order; or
- d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendors, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

LIMITATION OF LIABILITY

[29] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.

- [30] **DECLARES** that no Action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.
- [31] **ORDERS AND DECLARES** that, neither the Purchaser nor the Parent Entity shall incur, suffer, assume or be deemed to incur, suffer or assume any claim, liability or obligations of any kind whatsoever of the Petitioners in respect of, in connection with or in relation to: (i) the Employee Plans (including, without limitation, any funding or pension benefit obligations under the Pension Plans); or (ii) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time.
- [32] **ORDERS AND DECLARES** that the Purchaser, the Parent Entity, and their respective affiliates, shareholders, officers, directors, employees, delegates, agents, and representatives shall, effective upon Closing, be and be deemed to be irrevocably and unconditionally fully and finally released of and from any and all claims, liabilities or obligations whatsoever arising from any event, fact, matter or circumstance occurring or existing on or before Closing in relation to or in connection with: (i) the Employee Plans (including, without limitation, any funding or pension benefit obligations under the Pension Plans); or (ii) any occupational health, safety matters or any personal injury or other claims (including, without limitation, any asbestos-related, inhalable dust-related or silica-related claims, whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time, and assessments to the WHSCC for the period prior to the Closing Time.

GENERAL

- [33] **DECLARES** that the Vendors and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [34] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [35] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
- [36] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
- [37] **ORDERS** the provisional execution of this Order, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS, save in case of contestation.

STEPHEN W. HAMILTON J.S.C.

M^{tre} Bernard Boucher
(Blake, Cassels & Graydon LLP)
Attorneys for the Petitioner

Hearing date: ●, 2017

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

FORM OF MONITOR'S CERTIFICATE

SUPERIOR COURT
(Commercial Division)

C A N A D A

**PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

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-

WABUSH MINES

TACORA RESOURCES INC.

MAGGLOBAL LLC

**THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION
OF [INSERT DIVISION]**

**THE REGISTRAR OF MOTOR VEHICLES FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE DIRECTOR OF COMMERCIAL REGISTRATIONS FOR THE PROVINCE OF
NEWFOUNDLAND AND LABRADOR**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

MONITOR'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Superior Court of Québec, Commercial Division (the "**Court**") on May 20, 2015, FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the "**Wabush CCAA Parties**").
- B. Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on **[DATE]**, 2017, the transaction contemplated by the Asset Purchase Agreement dated as of June 2, 2017 (the "**Purchase Agreement**") by and among Wabush Iron Co. Limited, Wabush Resources Inc., and Wabush Lake Railway Company Limited as vendors (collectively, the "**Vendors**"), Tacora Resources Inc., as purchaser (and together with its permitted assigns under the Purchase Agreement, the "**Purchaser**"), and MagGlobal LLC, as guarantor, was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendors' right, title and interest in and to the Purchased Assets.
- C. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- D. The Approval and Vesting Order provides for the vesting of all of the Vendors' right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of the Monitor's Certificate issued by the Monitor.
- E. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Monitor's Certificate.
- F. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Monitor's Certificate forthwith after issuance thereof.

THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDORS AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:

1. The Monitor has received (i) payment in full of the Cash Purchase Price, and (ii) payment in full of the Transfer Taxes (if any are payable at Closing) and the Cure Costs payable by the Purchaser on Closing, each in the amounts set out in the Conditions Certificates, all in accordance with the Purchase Agreement.

2. The Vendors and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred at <TIME> on <*>, 2017.

THIS MONITOR'S CERTIFICATE was issued by the Monitor at <TIME> on <*>, 2017.

***FTI Consulting Canada Inc., in its capacity as
Monitor of the Wabush CCAA Parties, and not in
its personal or corporate capacity***

By: _____
Name: Nigel Meakin

SCHEDULE "B" TO APPROVAL AND VESTING ORDER

PERMITTED ENCUMBRANCES

See Schedule "K".

SCHEDULE "C" TO APPROVAL AND VESTING ORDER
IMMOVABLE PROPERTY

See Schedule "J".

SCHEDULE "D" TO APPROVAL AND VESTING ORDER

**ENCUMBRANCES ON IMMOVABLE PROPERTY AND MINING RIGHTS TO BE
DISCHARGED BY THE REGISTRAR OF THE REGISTRY OFFICE FOR THE
REGISTRATION [DIVISION]**

All Encumbrances other than Permitted Encumbrances.

SCHEDULE "E" TO APPROVAL AND VESTING ORDER

MINING RIGHTS

See Schedule "I".

SCHEDULE "A-1"

FORM OF ASSIGNMENT ORDER

SUPERIOR COURT
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N^o: 500-11-048114-157

DATE: [DATE]_____, 2017

PRESIDING: THE HONOURABLE STEPHEN W. HAMILTON J.S.C.

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-

WABUSH MINES

TACORA RESOURCES INC.

MAGGLOBAL LLC

**THE REGISTRAR OF DEEDS FOR THE PROVINCE OF NEWFOUNDLAND AND
LABRADOR**

**THE LAND REGISTRAR FOR THE REGISTRY OFFICE FOR THE REGISTRATION DIVISION
OF [INSERT DIVISION]**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

ASSIGNMENT ORDER

- [1] **ON READING** the Petitioners' *Motion for the Issuance of an Assignment Order* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the [NUMBER] Report of the Monitor dated [DATE], (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioners' and the Monitor's attorneys; and
- [4] **SEEING** that it is appropriate to issue an order assigning the rights and obligations of the Vendors under the Assigned Contracts (as defined below) as contemplated by the Asset Purchase Agreement (as may be amended, modified or supplemented in accordance with this Order and the Approval and Vesting Order, the "**Purchase Agreement**") dated as of June 2, 2017 by and among Wabush Iron Co. Limited, Wabush Resources Inc., and Wabush Lake Railway Company Limited as vendors (collectively, the "**Vendors**"), Tacora Resources Inc. as purchaser (and together with its permitted assigns under the Purchase Agreement, the "**Purchaser**"), MagGlobal LLC, as guarantor (the "**Parent Entity**"), a copy of which was filed as Exhibit [●] to the Motion.

FOR THESE REASONS, THE COURT HEREBY:

- [5] **GRANTS** the Motion.
- [6] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

SERVICE

- [7] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [8] **PERMITS** service of this Order at any time and place and by any means whatsoever.

ASSIGNMENT OF AGREEMENTS

- [9] **ORDERS** that upon delivery of the Monitor's Certificate (the "**Monitor's Certificate**") referred to in the Order of Justice Hamilton dated [DATE], (the "**Approval and Vesting Order**"), all of the rights and obligations of the Vendors under the agreements set out in Schedule "A" hereto (collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser pursuant to section 2.3 of the Purchase Agreement and pursuant to section 11.3 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("**CCAA**").
- [10] **ORDERS** that, with respect to the Assigned Contracts that are real property leases (collectively the "**Real Property Leases**"), upon delivery of the Monitor's Certificate,

the Purchaser shall be entitled and subject to all of the rights and obligations as tenant pursuant to the terms of the Real Property Leases and registrations thereof and may enter into and upon and hold and enjoy each premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Vendors, the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Vendors or the landlords under the Real Property Leases.

- [11] **ORDERS** that the assignment of the rights and obligations of the Vendors under the Assigned Contracts to the Purchaser, or such related party as the Purchaser may designate in accordance with Section 5.1 of the Purchase Agreement, pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
- [12] **ORDERS** that the Vendors' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.
- [13] **ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Vendors, the commencement of these CCAA proceedings, or any failure of the Vendors to perform a non-monetary obligation under the Assigned Contracts.
- [14] **ORDERS** that the Cure Costs in respect of each of the Assigned Contracts listed on Schedule "A" hereto other than the Wabush Sub-Lease shall be the amounts set out on Schedule "A" hereto and such amounts shall be disbursed by the Monitor in accordance with the Purchase Agreement and the provisions of the Approval and Vesting Order.
- [15] **ORDERS** that any claim of MFC relating to or arising from the Wabush Sub-Lease prior to May 20, 2015, including any claim contemplated by the Proof of Claim filed by MFC pursuant to the Claims Procedure Order dated November 5, 2015, as it may be amended, restated or supplemented from time to time, and the arbitration proceedings commenced in respect of the Wabush Sub-Lease (the amount of such pre-filing claims finally determined to be payable to MFC in accordance with this paragraph, being the "**MFC Pre-Filing Claim**"), shall, unless otherwise agreed by the parties, be heard and determined by Justice Stephen W. Hamilton in the context of the CCAA Proceedings or any appeal of Justice Hamilton's decision, and the stay of proceedings shall be lifted to the extent necessary to permit such determination.
- [16] **ORDERS** that the amount of the Disputed Post-Filing Royalties payable to MFC, shall, unless otherwise agreed by the Vendors and MFC, be finally determined in the Motion before this Court on June 5, 2017, June 6, 2017, and June 7, 2017 (or such other dates as may be agreed by the parties and/or directed by the Court), or any appeal of the decision on such Motion (the amount of such Disputed Post-Filing Royalties finally

determined to be payable to MFC in accordance with this paragraph, being the “**MFC Post-Filing Claim**”).

- [17] **ORDERS** that the monetary defaults to be remedied in relation to the Wabush Sub-Lease shall be the aggregate of the MFC Pre-Filing Claim plus the MFC Post-Filing Claim, as finally determined in accordance with paragraphs [15] and [16] above (collectively, the “**Lease Cure Costs**”).
- [18] **ORDERS** that, notwithstanding paragraph 24 of the Approval and Vesting Order, the Monitor shall remit to MFC in satisfaction of the Lease Cure Costs (i) from the Cure Costs payment received by the Monitor on Closing in respect of the Wabush Sub-Lease (the “**Maximum MFC Pre-Filing Cure Costs**”), the amount of the MFC Pre-Filing Claim within five (5) Business Days of final determination of the MFC Pre-Filing Claim in accordance with paragraph [15] above, and (ii) from the Disputed Post-Filing Royalties received by the Monitor, the amount of the MFC Post-Filing Claim within five (5) Business Days of final determination of the MFC Post-Filing Claim in accordance with paragraph [16] above.
- [19] **ORDERS** that any outstanding procedural issues in connection with the determination of the MFC Pre-Filing Claim shall be agreed upon between MFC and the Purchaser or determined by order of this Court.
- [20] **ORDERS** that any amount of the Maximum Pre-Filing MFC Cure Costs received by the Monitor from the Purchaser in excess of the MFC Pre-Filing Claim shall be returned by the Monitor to the Purchaser within five (5) Business Days of final determination of the MFC Pre-Filing Claim.
- [21] **ORDERS** that no Encumbrances shall attach to the Maximum MFC Pre-Filing Cure Costs amount received by the Monitor from the Purchaser and that the only parties which may claim any entitlement to same shall be the Purchaser or MFC in accordance with paragraphs 18 and 20 hereof.
- [22] **ORDERS** that, other than the Cure Costs listed on Schedule “A” hereto (or, in the case of the Wabush Sub-Lease, the Maximum MFC Pre-Filing Cure Costs), as applicable, the Purchaser shall not be liable for any other amounts of any kind due in respect of any Assigned Contract for the period up to the Closing Time.
- [23] **ORDERS** that the Vendors are hereby irrevocably and unconditionally fully and finally released of and from any and all claims, liabilities or obligations whatsoever arising from any event, fact, matter or circumstance occurring or existing following the Closing Time in respect to any Assigned Contract, including, for greater certainty, any obligation to remit to MFC any amounts payable under the Wabush Sub-Lease from the period from and after the Closing Time.
- [24] **ORDERS** that the Vendors, the Purchaser, the Monitor and any counterparty to any Assigned Contract may apply to this Court for advice and direction, or to seek relief in respect of, any matters arising from or under this Order, including without limitation, as necessary, to effect the assignment of the Assigned Contracts, the interpretation of this Order or the implementation thereof, and for any further order that may be required, on notice to any party likely to be affected by the order sought or on such notice as this Court requires.

[25] **DIRECTS** the Vendors to send a copy of this Order to all of the counterparties to the Assigned Contracts.

GENERAL

[26] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[27] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

[28] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

[29] **ORDERS** the provisional execution of this Order, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS, save in case of contestation.

STEPHEN W. HAMILTON J.S.C.

M^{re} Bernard Boucher
(Blake, Cassels & Graydon LLP)
Attorneys for the Petitioner

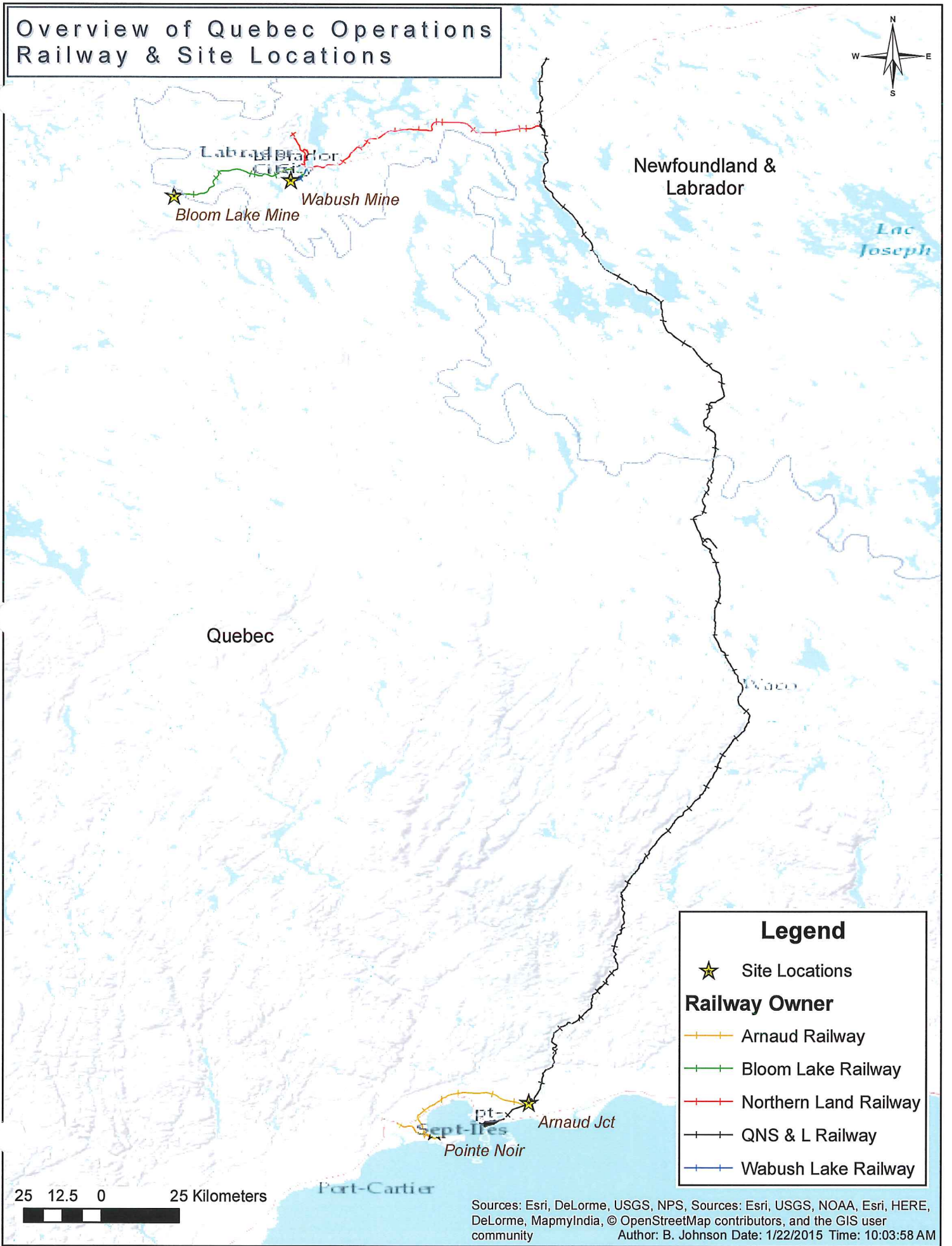
Hearing date: ●, 2017

SCHEDULE "B"

MAP SHOWING WABUSH LAKE RAILWAY

See attached.

Overview of Quebec Operations Railway & Site Locations



Legend

- ★ Site Locations

Railway Owner

- +— Arnaud Railway
- +— Bloom Lake Railway
- +— Northern Land Railway
- +— QNS & L Railway
- +— Wabush Lake Railway

25 12.5 0 25 Kilometers

SCHEDULE "C"

REQUIRED REGULATORY APPROVAL

Mining Act (Newfoundland and Labrador) Approval

SCHEDULE “D”

ASSIGNED CONTRACTS

Assigned Contract	
1.	The Wabush Sub-Lease
2.	All Indentures or other Contracts relating to leases of surface rights by the Vendors to third parties for use as dog kennels.
3.	Statutory Agreement dated September 4, 1959 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.
4.	Statutory Supplementary Agreement dated May 16, 1961 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.
5.	Maintenance and Operation Agreement dated January 1, 1980 between Carol Lake Company Limited and Wabush Lake Railway, as amended June 10, 1985.
6.	Running Rights Agreement dated August 4, 1960 between Northern Land and Wabush Lake Railway.
7.	Amended & Restated Agreement for Right of Way and Easement dated September 19, 2014, as amended, among, inter alios, Wabush Lake Railway, Consolidated Thompson Iron Mines Limited (now Cliffs Québec Iron Mining ULC) and Bloom Lake Railway Company Limited.
8.	Statutory Agreement between Government, Nalco, Javelin, Wabush Iron Company, PM-Stelco, pursuant to Act No. 84 of 1957.
9.	Statutory Supplementary Agreement between Government, Nalco, Javelin, P.M., Stelco, Wabush Iron, P.M. as Attorney for Midway Ore Company Limited and Mather Iron Company, pursuant to Act. No. 41 of 1960.
10.	Statutory Agreement between Government and Javelin dated 4 September 1959 relating to payment of Royalty Escalation pursuant to Act No. 33 of 1959.
11.	Statutory Supplementary Agreement between Government and Javelin dated 28 June 1960 amending the Statutory Agreement of 4 September 1959 pursuant to Act No. 42 of 1960.
12.	Statutory Agreement between Government and Nalco dated 4 September 1959 relating to procedure in case of defaults pursuant to Act No. 34 of 1959.
13.	Statutory Agreement between Government and Nalco, and Javelin, and Wabush Iron dated 4 September 1959 relating to royalties on minerals mined in Knoll lake Area pursuant to Act No. 36 of 1959.
14.	Statutory Agreement between Government, Nalco, and Javelin dated 4 September 1959

	and pursuant to Act No. 35 of 1959.
15.	Indenture between Wabush Iron and Northern Airport Ltd. dated 3 of October, 1961 relating to conveyance of portion of Knoll Lake area.
16.	Nalco Water License to use waters of Little Wabush Lake dated 18 January, 1962 as subsequently assigned to Wabush Iron and its affiliates.
17.	Nalco Deed of Consent for issue of pump house site lease to Knoll Lake Minerals Limited, dated 10 November, 1964, as required by Act No. 88 of 1951, and as subsequently assigned to Wabush Iron and its affiliates.
18.	The Subscription Agreement

SCHEDULE "E"

ASSUMED LIABILITIES

1. All Liabilities relating to the Purchased Assets arising from and after the Closing Time.
2. All Liabilities under the Assigned Contracts and Permits and Licenses (in each case to the extent such Assigned Contract or Permit and License is effectively assigned to the Purchaser) arising from and after, or taking effect on or after the Closing Time.

SCHEDULE "E-1"

EXCLUDED LIABILITIES

"Excluded Liabilities" means all Liabilities of the Vendors, other than the Assumed Liabilities, the Environmental Obligations and the Environmental Liabilities, including without limitation, the following:

1. Any Liability Related to the Business or related to the Purchased Assets which arose prior to the Closing Time;
2. Any Liability relating to, arising from, incidental to, or in any way related to the ownership or operation of the Excluded Assets;
3. any Liability for (i) any occupational health, safety matters or any personal injury or other claims (including, without limitation, any asbestos-related, inhalable dust-related or silica-related claims, whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time, and (ii) assessments to the WHSCC for the period prior to the Closing Time;
4. any Liability for any claim that may be made by any Aboriginal or Innu band, Aboriginal or Innu group, Aboriginal or Innu community, Aboriginal or Innu people or Aboriginal or Innu person or their assignees in relation to environmental damage that was caused by or occurred as a result of the development or operation of or activities at the Scully Mine prior to the Closing Time;
5. Any Liability relating to, pursuant to or in connection with (i) the Expired Collective Bargaining Agreement and/or (ii) any Employee Plan;
6. Any Liability of the Vendors to any of their shareholders or any of their respective Affiliates or associates or any other Person not dealing at arm's length with any of them, other than any Liability under any Assigned Contracts;
7. Any Liability of the Vendors to any Vendors' bank or other financial institution by way of loan or other credit facility;
8. any Liability of the Vendors for any Taxes, other than Transfer Taxes (including penalties, fines and interest); and
9. any Liability arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Time, including, without limitation, Liabilities relating to any breach of Law, except, in each case, as specifically defined as an Assumed Liability hereunder,

but in each case, an **"Excluded Liability"** **shall not include** an Environmental Obligation, Environmental Liability or an Assumed Liability.

SCHEDULE "F"

CRITICAL PERMITS AND LICENSES

None.

SCHEDULE "G"

EXCLUDED ASSETS

1. All minute books and other corporate records of the Vendors and, provided that copies are provided to the Purchaser, any Books and Records that the Vendors are required by Applicable Law to retain in their possession.
2. The rights of the Vendors under this Agreement or any other agreement or instrument executed and delivered pursuant to this Agreement.
3. All accounts receivable, bills receivable, trade accounts, book debts and insurance claims Related to the Business, together with any unpaid interest accrued on such items and any security or collateral for such items, including (i) recoverable deposits other than related to the Assigned Contracts, and (ii) any amounts to be payable or released to the Vendors from the Disputed Post-Filing Royalties.
4. All cash, cash equivalents and short-term investments of the Vendors, including the Deposit, and any amounts held by the Vendors in escrow other than related to the Assigned Contracts, including, any amounts to be payable or released to the Vendors from the Disputed Post-Filing Royalties.
5. All bank accounts of the Vendors.
6. All rights to receive a refund of and/or credit in respect of, Taxes paid by or on behalf of a Vendor.
7. All Tax Returns of the Vendors.
8. All Tax installments paid by or on behalf of a Vendor.
9. All present and future claims of any nature or kind whatsoever of any of the Vendors against an Affiliate of such Vendor, whether such Affiliate is a party to this Agreement or otherwise.
10. All Vendor Surety Bonds (including the benefit thereof); all causes of action which arise from loss, damage or facts occurring prior to Closing and any insurance proceeds or claims payable for losses or damages incurred prior to Closing.
11. Global alliance, purchasing, supply, consignment, distribution and logistics Contracts entered into from time to time by any of the Vendors and/or its Affiliate(s) that benefit other businesses of Vendors and/or its Affiliate(s) as well as the Business.
12. All software assets and Contracts, whether relating to enterprise-wide information technology applications or otherwise, except for (i) software assets and Contracts primarily relating to Vendors site-specific process control or process monitoring systems; and (ii) basic operating system software remaining on the hardware after the removal of Vendors' information and licensors' proprietary software applications, in each case of

clauses (i) and (ii), only to the extent that the same are transferable without the applicable licensor's consent.

13. All Proprietary Marks.
14. All assets of the Vendors not located in the province of Newfoundland and Labrador other than (i) the Manganese Reduction Equipment, (ii) Intellectual Property included as part of the Purchased Assets, and (iii) goodwill.
15. All Wabush style fully enclosed bottom dumper railcars, wherever such railcars are located, that were sold pursuant to an Asset Purchase Agreement dated December 23, 2015 among, *inter alios*, the Vendors and Investissement Québec, as assigned by Investissement Québec to Société ferroviaire et portuaire de Pointe-Noire s.e.c pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, and executed on February 1st, 2016.
16. Personal property owned by suppliers and located at the Scully Mine site.
17. All residential properties, whether located on the Owned Real Property or Leased Real Property, including houses and apartment buildings and the property located at 35 Baltimore Street.
18. The JR Smallwood School.
19. The shares of Twin Falls Power Corporation Limited and its minute books and other corporate records.
20. The minute books and other corporate records of Northern Lands.
21. The minute books and other corporate records of Knoll Lake.
22. The Purchased Assets as defined and described in the asset purchase agreement dated as of November 3, 2016 among Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Lake Railway Company Limited, as vendors, and Newfoundland and Labrador Hydro, as purchaser, as such asset purchase agreement may be amended, restated or supplement from time to time in accordance with its terms.
23. The Purchased Assets as defined and described in the asset purchase agreement dated as of December 23, 2015 among Cliffs Québec Iron Mining ULC, Wabush Resources Inc., Wabush Iron Co. Limited and Arnaud Railway Company, as vendors, and Investissement Québec, as purchaser, as assigned to Société ferroviaire et portuaire de Pointe-Noire s.e.c., as assignee pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, as such asset purchase agreement may be amended, restated or supplemented from time to time in accordance with its terms.
24. The Purchased Assets as defined and described in each of the RBA APAs.

25. All assets previously sold by the Vendors or their affiliates in the CCAA Proceedings which remain at the Scully Mine site.
26. CMMS or Computer based Maintenance Management System.
27. All Contracts other than the Assigned Contracts.
28. The Disputed Deadbed Action.
29. All rights and assets under or maintained pursuant to or in connection with any Employee Plan.

SCHEDULE "H"

MINING RIGHTS

Mining Rights	
1.	The Wabush Sub-Lease.
2.	The Crown Lease made by and between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and to Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962 and registered in the Registry of Deeds at Volume 578, Folios 001-043, and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc. as lessees, respecting mining rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold, assigned or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador.
3.	The Crown Lease made between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962, and registered in the Registry of Deeds at Volume 579, Folios 362-392 and in the Registry of Transfers as Item No. 26 in the Minerals Volume entitled "Volume 1 – NALCO and Associates", and subsequently assigned to Wabush Iron Co. Limited as lessee, respecting mining rights to Wabush Mountain Area.

SCHEDULE "I"

OWNED REAL PROPERTY

1. All real property described in the assignment of surface rights made between Canadian Javelin Limited, as assignor, and Wabush Iron, as assignee, dated 28 June 1957 and registered in the Registry of Deeds for Newfoundland and Labrador at Volume 389, Folios 465 to 479, as subsequently assigned to Wabush Resources and Wabush Iron, excepting all portions of that real property that have been sold, assigned or conveyed by Wabush Resources, Wabush Iron or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador. This real property is also known as Lots 2, 3 and 4.
2. All right, title and interest of the Vendors in the Jean River (Railway) Bridge.
3. All buildings, infrastructure, fixtures and other immovable assets, if any, located on the Real Property Leases or on the property set out at item 1 above.

WABUSH LAKE RAILWAY COMPANY LIMITED

4. All real property described in the indenture dated 31 October 1961 between Wabush Iron and Wabush Lake Railway Company Limited and registered in the Registry of Deeds for Newfoundland and Labrador at Volume 559, Folios 383 to 389, excepting all portions of that real property that have been sold, assigned by conveyed by Wabush Lake Railway Company Limited to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador.
5. Indenture dated 30 September 1981 made between Newfoundland and Labrador Housing Corporation, as vendor, and Wabush Lake Railway Company Limited, as purchaser, registered in the Registry of Deeds for Newfoundland and Labrador at Roll 8858, Frame 664.

SCHEDULE “J”

PERMITTED ENCUMBRANCES

1. Servitudes or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Owned Real Property, provided such servitudes or rights-of-way are registered on title to the Owned Real Property;
2. Servitudes for the supply of utilities to the Owned Real Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided such servitudes are registered on title to the Owned Real Property;
3. Any unregistered servitudes or rights of way by Hydro-Québec to occupy a part of the Owned Real Property to install any circuits, poles and necessary equipment required for the connection or the network, in accordance to its by-law number 634 relating to the supply of electricity and any servitudes granted prior to January 1, 1917 which affect the Owned Real Property;
4. Restrictive covenants, private deed restrictions and other restrictions including land use control agreements, provided they are registered on title to the Owned Real Property;
5. Any minor encroachments by any structure located on the Owned Real Property onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Owned Real Property;
6. Any title defects, irregularities, easements, adverse claims, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to the Owned Real Property;
7. The provisions of Applicable Laws, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning;
8. Any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent;
9. Amended & Restated Agreement for Right of Way and Easement dated September 19, 2014, as amended, among, *inter alios*, Wabush Lake Railway, Consolidated Thompson Iron Mines Limited (now Cliffs Québec Iron Mining ULC) and Bloom Lake Railway Company Limited.
10. Any adverse claim made by an aboriginal group or person in respect of the real property;
11. From time to time, Wabush Iron and Wabush Resources have granted real property leases to dog kennel businesses in the Town of Wabush (Commercial Street, Lot 3) for purposes of breeding and keeping dogs, certain of which leases may remain in effect as of the date of the Agreement, and certain of which leases have expired (although such businesses may continue to occupy the real property formerly subject to such leases (and additional adjoining real property) and pay rent in respect thereof). Such leases are generally terminable by either party upon 30 days' prior written notice;

12. From time to time, third parties may have acquired unregistered interests on Lots 3 and 4 of Wabush Iron and Wabush Resources. Following is a listing of pieces or parcels of land of which Vendors have knowledge of third party occupation but for which deeds of conveyances, leases or other dispositions cannot be located and are not registered in the Registry of Deeds for Newfoundland and Labrador:

Street	Lot ID	Area (acres)	Owner / Comment
Cabot Drive	Lot 82	0.20	No Conveyance / No Info
Grenfell Boulevard (adjacent to mall)	N/A	5.54	No Conveyance / No Info
Shea Street	Lot 37	0.21	No Conveyance / No Info
Shea Street	Lot 39	0.27	No Conveyance / No Info
Bowater Drive	Lots 5 - 7	0.59	No Conveyance / No info
Anderson Street	Lot 51	0.12	No Conveyance / No Info
Banting Avenue	Lot 19	0.06	No Conveyance / No Info
Dunfield Street	Lot 17	0.12	No Conveyance / No Info
Dunfield Street	Lot 10	0.12	No Conveyance / No Info
First Avenue	Lot V	0.92	Rumbolt's Plumbing & Heating Lot Ext.
Near corner of Whiteway Drive and Reid Street	N/A	0.18	Town of Wabush – Water Tower
Whiteway Drive	N/A	0.44	Union Centre
Commercial Street (30)	N/A	1.15	Lot Extension
Legge Street	N/A	0.27	Girlguide Hut
Legge Street	N/A	0.30	Scout Hut
Carson Street	N/A	0.62	Staff House Wabush Clinic
Bowater Drive	N/A	5.81	J.R Smallwood Collegiate
Grenfell Boulevard	Lot 122	0.16	No Conveyance / No Info
Commercial Street (30)	N/A	0.89	Town of Wabush - Sewer Treatment Facility
First Avenue	Lot IV	0.92	Vacant Lot – Town of Wabush has deposited certain materials on this lot
First Avenue	Lot I Ext	0.27	Houseman Ltd. Lot Ext

Street	Lot ID	Area (acres)	Owner / Comment
Airport Access Road	N/A	4.68	Community Gardens
Commercial Street (30)	N/A	1.34	Cahill
Commercial Street (30)	N/A	1.80	RMS Expansion
Commercial Street (30)	N/A	0.90	RMS Expansion South
Commercial Street (30)	N/A	3.46	Alantra Leasing
Mine Tailings Line Road	N/A	21.98	H.J. OConnell Property (Expansion)
HWY 500	N/A	11.15	Sheppard's Lot (No Conveyance / No Info)
Whiteway Drive	Lot 113 Ext	0.03	Lot Extension
Guy Street	Lot 59 Ext	0.05	Lot Extension
First Avenue	Lot VIII + ext	0.69	Newfoundland & Labrador Hydro
Wabush Mine Road	N/A	0.81	Aldred & Co. Limited (No Conveyance / No Info)

13. Based on review of satellite imagery and plot plan information, Vendors have identified the following parcels of land where third parties appear to be occupying land outside of lands previously conveyed to them, but for which additional deeds of conveyances, leases or other dispositions cannot be located and are not registered in the Registry of Deeds for Newfoundland and Labrador:

Street	Lot ID	Area (acres)	Conveyance	Owner / Comment
Commercial Street (30)	Lot C2	0.92	C15972	Aldred and Co. Limited
Commercial Street (30)	Lot 4	0.17	C16053	Perry Maintenance Services Limited
Commercial Street (30)	Lot 2A	0.90	C15988	RMS (formerly Grenfell Motors Limited)
Commercial Street (30)	Lot 5	0.17	C15985	Perry Maintenance Services Limited
Commercial Street (30)	Lot 6	0.17	C15979	Chuck Wallace Construction Ltd.
Commercial Street (30)	Lot 7	0.17	C15978	Chuck Wallace Construction Ltd.
Commercial Street (30)	N/A	0.13	C16115	Perry Maintenance Services Limited
First Avenue	Lot IX	0.92	C16035	EMCO
First Avenue	Parcel		C16087	Wabush Mines parcel, with third-party

Street	Lot ID	Area (acres)	Conveyance	Owner / Comment
	B	0.11		items located thereon
First Avenue	Parcel A	0.58	C16087	Newfoundland & Labrador Hydro and/or H&H Enterprises
Whiteway Dr	Lot 71	0.15	C16270	Garage extends outside of conveyed property onto other Owned Real Property (garage owner has requested lot extension)

14. Certain land in Lot 4 and Lot 3 of Wabush Iron and Wabush Resources is currently utilized for Highways 500 and 503;
15. The Surface rights to Wabush Mountain Area (which was previously granted pursuant to the Indenture made between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and the Newfoundland and Labrador Corporation Limited, as lessee, dated 15 May 1962 and subsequently assigned to Wabush Iron and Wabush Resources, which indenture was disclaimed effective as of December 5, 2016);
16. Following is a listing of pieces or parcels of land of which Vendors has knowledge of third party occupation but for which deeds of conveyances, leases or other dispositions cannot be located and are not registered in the Registry of Deeds for Newfoundland and Labrador:

Street	Lot ID	Area (acres)	Entity	Comment
HWY 500	Lot 1	28.4	H&H Enterprises	H&H located along south side of HWY 500 in south-western portion of Wabush Mountain Area. Also located on Lot 4.
N/A	Lot 4	N/A	QNS&L	QNS&L rail line on Lot No. 4.
HWY 500	Lot 4	N/A	Department of Transportation	Highway Right of Way on Lot No. 4.

17. All residential properties, whether located on the Owned Real Property or Leased Real Property, including houses and apartment buildings and the property located at 35 Baltimore Street;
18. The JR Smallwood School; and
19. The Northern Land ROFR.

SCHEDULE "K"

PURCHASED ASSETS

1. All of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible, and owned by the Vendors or to which the Vendors are entitled as of the Closing that are Related to the Business in respect of the Scully Mine and, with respect to tangible assets, located in Newfoundland and Labrador, including without limitation:
 - the Mining Rights;
 - the Owned Real Property;
 - the Real Property Leases;
 - all supply inventory, raw materials, parts and other inventories located at the Scully Mine;
 - all rights and interests under or pursuant to warranties, representations and guarantees, express or implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets;
 - the Personal Property;
 - the Intellectual Property;
 - the Assigned Contracts, including any cash, bonds or other deposits or prepaid amounts related thereto;
 - the Permits and Licenses, to the extent transferable;
 - the Books and Records;
 - all goodwill Related to the Business;
 - all proceeds of any or all of the foregoing received or receivable after the Closing Time;
 - all right, title and interest of the Vendors in the Knoll Lake Shares and the Northern Land Shares;
 - all right, title and interest of the Vendors in the Northern Land Indebtedness; and
 - all running rights granted in favour of Wabush Lake Railway Company Limited in respect of the Northern Land Railway, provided that Running Rights Agreement dated August 4, 1960 between Northern Land and Wabush Lake Railway is assigned to the Purchaser.

2. the Manganese Reduction Equipment,
but in each case, excluding the Excluded Assets.

SCHEDULE "L"

REAL PROPERTY LEASES

1. Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as lessor, and Knoll Lake, as lessee, dated 12 April 1965 and subsequently assigned to Wabush Iron and Wabush Resources, respecting an area consisting of 8.678 acres of land for use as a pumping station.
2. Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as licensor, and Newfoundland and Labrador Corporation Limited, as licensee, dated 15 May 1962 and registered in the Registry of Deeds for Newfoundland and Labrador at Volume 577, Folios 544-563, and subsequently assigned to Wabush Iron and Wabush Resources, respecting the deposit and recovery of tailings in Flora Lake.
3. The Crown Grant made by the Lieutenant Governor in Council to Newfoundland and Labrador Corporation Limited, dated May 26, 1956 and registered in the Registry of Transfers as Item No. 3 in the Land Titles (Concessions) Volume entitled "Volume 1 – NALCO and Associates", and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc., respecting the surface rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold, assigned or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador.
4. Indenture, dated January 14, 1983, between Wabush Iron, Stelco Inc., Dofasco Inc. and the Newfoundland and Labrador Ministry of Transportation for proposed Route 530, registered in the Registry of Deeds for Newfoundland and Labrador at Volume 3732, pages 250-257 and Roll 95, Frame 2376.

SCHEDULE "M"

VENDOR SURETY BONDS

Letters of Credit posted in CAD

Counterparty	LC Reference	Beneficiary	Amount	Obligations Secured	Expiry Date¹
BAML	68094102	Receiver of General Canada	\$111,520	Wabush Mines' obligations re Hay Lake and outflow fish habitat compensation	7/24/2017
BAML	68094103	Receiver of General Canada	\$97,000	Wabush Mines' obligations re Flora Lake fish habitat monitoring	7/24/2017

Surety Bonds posted in CAD

Counterparty	Bond Reference	Beneficiary	Amount	Obligations Secured	Expiry Date²
The Chubb Insurance Company of Canada	8304-21-24	Her Majesty the Queen in Right of Newfoundland and Labrador as represented by the Minister of Natural Resources	\$24,862,347.50	Wabush Mines' obligations under Wabush Mine Care and Maintenance Plan and Closure Plan for Scully Mine	8/1/2017
Travelers Insurance Company of Canada	105973786	Her Majesty the Queen in Right of Newfoundland and Labrador as represented by the Minister of Natural Resources	\$24,862,347.50	Wabush Mines' obligations under Wabush Mine Care and Maintenance Plan and Closure Plan for Scully Mine	8/1/2017

¹ Subject to automatic renewal unless notice of non-renewal has been provided.

² Subject to automatic renewal unless notice of non-renewal has been provided.

SCHEDULE “N”

ALLOCATION OF PURCHASE PRICE

	Wabush Iron	Wabush Resources	Wabush Lake Railway
Real Property	Nil	Nil	Nil
Real Property Leases	Nil	Nil	Nil
Personal Property (not including inventory or raw materials, but including supplies)			
(i) mobile fleet	Nil.	Nil.	Nil
(ii) machinery and equipment	Nil.	Nil.	Nil
(iii) Manganese Reduction Equipment	Nil.	Nil.	Nil
(iv) mining infrastructure	\$640,625.40	\$1,747,095.06	Nil
(v) Processing Plant	\$601,106.34	\$1,639,319.82	Nil
(vi) buildings and improvements	\$143,315.86	\$390,846.88	Nil
(vii) all other Personal Property	\$137,455.40	\$374,864.38	Nil
Total Personal Property (items (i) to (vii) above) (not including inventory or raw materials, but including supplies)	\$1,522,503.00	\$4,152,126.14	Nil
Inventory (not including real property) and raw materials	\$4,057,044.15	\$11,064,252.47	Nil
Intellectual Property	Nil	Nil	Nil
Knoll Lake Shares	Nil	Nil	Nil
Northern Land Shares and Northern Land Indebtedness	Nil	\$1.00	Nil

Total:	\$5,579,547.15	\$15,216,379.61	Nil
		Grand Total:	\$20,795,926.76

Computation of Purchase Price:

1.	Cash Purchase Price:	\$2,050,000
2.	Agreed Value of Assumed Liabilities:	Nil
3.	Agreed value of payment of Cure Costs:	\$18,745,926.76
	Grand Total:	\$20,795,926.76

SCHEDULE "O"

CURE COSTS

#	Description	Cure Costs Based on Proof of Claim Submitted in CCAA Proceedings	Maximum Cure Cost Threshold (101% of Estimate)
1.	The Wabush Sub-Lease	\$11,237,679*	\$11,350,055.79
2.	All Indentures or other Contracts relating to leases of surface rights by the Vendors to third parties for use as dog kennels.	None Payable	N/A
3.	Statutory Agreement dated September 4, 1959 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.	None Payable	N/A
4.	Statutory Supplementary Agreement dated May 16, 1961 between the Government of Newfoundland, Wabush Lake Railway, Northern Land and Carol Lake Company Limited.	None Payable	N/A
5.	Maintenance and Operation Agreement dated January 1, 1980 between Carol Lake Company Limited and Wabush Lake Railway, as amended June 10, 1985.	\$1,406,398 ³	\$1,420,461.98
6.	Running Rights Agreement dated August 4, 1960 between Northern Land and Wabush Lake Railway.	\$3,630,660 ⁴	\$3,666,966.60
7.	Amended & Restated Agreement for Right of Way and Easement dated September 19, 2014, as amended, among, inter alios, Wabush Lake Railway, Consolidated Thompson Iron Mines Limited (now Cliffs Québec Iron Mining ULC) and Bloom Lake Railway Company Limited.	None Payable	N/A
8.	Statutory Agreement between Government, Nalco, Javelin, Wabush Iron Company, PM-Stelco, pursuant to Act No. 84 of 1957.	None Payable	N/A
9.	Statutory Supplementary Agreement between Government, Nalco, Javelin, P.M., Stelco, Wabush Iron, P.M. as Attorney for Midway Ore Company Limited and Mather Iron Company, pursuant to Act. No. 41 of 1960.	None Payable	N/A
10.	Statutory Agreement between Government and	None Payable	N/A

³ To March 31, 2017

⁴ To December 31, 2016

	Javelin dated 4 September 1959 relating to payment of Royalty Escalation pursuant to Act No. 33 of 1959.		
11.	Statutory Supplementary Agreement between Government and Javelin dated 28 June 1960 amending the Statutory Agreement of 4 September 1959 pursuant to Act No. 42 of 1960.	None Payable	N/A
12.	Statutory Agreement between Government and Nalco dated 4 September 1959 relating to procedure in case of defaults pursuant to Act No. 34 of 1959.	None Payable	N/A
13.	Statutory Agreement between Government and Nalco, and Javelin, and Wabush Iron dated 4 September 1959 relating to royalties on minerals mined in Knoll lake Area pursuant to Act No. 36 of 1959.	None Payable	N/A
14.	Statutory Agreement between Government, Nalco, and Javelin dated 4 September 1959 and pursuant to Act No. 35 of 1959.	None Payable	N/A
15.	Indenture between Wabush Iron and Northern Airport Ltd. dated 3 of October, 1961 relating to conveyance of portion of Knoll Lake area.	None Payable	N/A
16.	Nalco Water License to use waters of Little Wabush Lake dated 18 January, 1962 as subsequently assigned to Wabush Iron and its affiliates.	None Payable	N/A
17.	Nalco Deed of Consent for issue of pump house site lease to Knoll Lake Minerals Limited, dated 10 November, 1964, as required by Act No. 88 of 1951, and as subsequently assigned to Wabush Iron and its affiliates.	None Payable	N/A
18.	The Crown Lease made by and between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and to Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962 and registered in the Registry of Deeds at Volume 578, Folios 001-043, and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc. as lessees, respecting mining rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold, assigned	\$4,216.32 ⁵	\$4,258.48

⁵ To December 31, 2016

	or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador (the “ Lot 2, 3 and 4 Mining Lease ”).		
19.	The Crown Lease made between the Lieutenant-Governor of the Province of Newfoundland in Council, as lessor, and Newfoundland and Labrador Corporation Limited, as lessee, dated May 15, 1962, and registered in the Registry of Deeds at Volume 579, Folios 362-392 and in the Registry of Transfers as Item No. 26 in the Minerals Volume entitled “Volume 1 – NALCO and Associates”, and subsequently assigned to Wabush Iron Co. Limited as lessee, respecting mining rights to Wabush Mountain Area (the “Wabush Mountain Area Mining Lease”).	\$154,965.44 ⁶	\$156,515.09
20.	Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as lessor, and Knoll Lake, as lessee, dated 12 April 1965 and subsequently assigned to Wabush Iron and Wabush Resources, respecting an area consisting of 8.678 acres of land for use as a pumping station	None Payable	N/A
21.	Indenture made between the Lieutenant-Governor in and for the Province of Newfoundland in Council, as licensor, and Newfoundland and Labrador Corporation Limited, as licensee, dated 15 May 1962 and registered in the Registry of Deeds for Newfoundland and Labrador at Volume 577, Folios 544-563, and subsequently assigned to Wabush Iron and Wabush Resources, respecting the deposit and recovery of tailings in Flora Lake	None Payable	N/A
22.	The Crown Grant made by the Lieutenant Governor in Council to Newfoundland and Labrador Corporation Limited, dated May 26, 1956 and registered in the Registry of Transfers as Item No. 3 in the Land Titles (Concessions) Volume entitled “Volume 1 – NALCO and Associates”, and subsequently assigned to Wabush Iron Co. Limited and Wabush Resources Inc., respecting the surface rights to areas referred to as Lots 2, 3, and 4, excepting all portions of that real property that have been sold,	None Payable	N/A

⁶ To December 31, 2016

	assigned or conveyed by Wabush Resources Inc., Wabush Iron Co. Limited or their predecessors in title to any third parties in deeds of sale, assignment or conveyance registered in the Registry of Deeds for Newfoundland and Labrador		
23.	Indenture, dated January 14, 1983, between Wabush Iron, Stelco Inc., Dofasco Inc. and the Newfoundland and Labrador Ministry of Transportation for proposed Route 530, registered in the Registry of Deeds for Newfoundland and Labrador at Volume 3732, pages 250-257 and Roll 95, Frame 2376	None Payable	N/A
24.	The Subscription Agreement ⁷	\$2,312,008.00 ⁸	\$2,335,128.08
TOTAL		\$18,745,926.76	\$18,933,386.02

*Subject to the terms of the Assignment Order.

⁷ To December 31, 2016

⁸ To December 31, 2016

SCHEDULE "P"

UNIONIZED PENSION BENEFICIARY NOTICE

See attached.

VIA REGULAR MAIL

NOTICE OF COURT HEARING REGARDING THE WABUSH SCULLY MINE

Date: June [5], 2017

To: Members and Beneficiaries of the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (Newfoundland and Labrador No. 024699-000; CRA No. 0555201; Office of the Superintendent of Financial Institutions Registration Number 57777) (the “**Pension Plan**”)

From: Wabush Iron Co. Limited (“**Wabush Iron**”), Wabush Resources Inc. (“**Wabush Resources**”) and Wabush Lake Railway Company Limited (“**Wabush Lake Railway**”) and together with Wabush Iron and Wabush Resources, the “**Vendors**”)

Subject: Notice of Court hearing scheduled for June [26], 2017, seeking approval of the sale of the Wabush Scully Mine

You are receiving this Notice because the Plan Administrator’s records indicate that you or your spouse is a member or beneficiary under the Pension Plan as a former unionized employee of Wabush Iron, Wabush Resources or Wabush Lake Railway or that you are a representative of such a plan beneficiary. If you have received this Notice in error, please disregard.

There will be a court hearing at 9:30 a.m. on June 26, 2017, before the Quebec Superior Court for the District of Montreal (Commercial Division) at 1, Notre-Dame East, Montreal, Quebec to approve the sale of the Wabush Scully Mine. At that hearing, the Court will be asked to issue an Order declaring that the proposed purchaser will not be liable for any obligations under the Pension Plan or other employee benefit plans previously provided by the Vendors or for any occupational health or safety matters or any personal injury or other claims (including, without limitation, any asbestos-related, inhalable dust-related or silica-related claims) arising by reason of any occurrence prior to closing of the transaction.

As you have previously been informed, the Pension Plan has been terminated and is in the process of being wound-up, pursuant to Orders of the Federal and Provincial pension regulators. The Order being requested will not affect any claim against the Vendors in respect of the Pension Plan or other employee benefit plans.

As you know, the Vendors filed for protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act* on May 20, 2015. Since filing, the Vendors have run a number of sales processes in an effort to find a purchaser for the Wabush Scully Mine. The bid from the proposed purchaser was the best offer received and the only one that contemplated restarting the mine. No offer was received that would assume any of the obligations under the Pension Plan or the other employee benefit plans. The Vendors and the Court-appointed Monitor are of the view that the transaction is in the best interests of stakeholders as a whole for a variety of reasons, including the following:

1. The proposed purchaser intends to restart operations at the Scully Mine, creating future employment and business opportunities;
2. The transaction includes the assumption of certain liabilities that would otherwise give rise to significant claims against the Vendors' estates; and
3. The transaction will generate additional proceeds for the Vendors' estates.

If you have questions or wish to speak to someone to obtain more information, at the end of this Notice there is contact information for the Pension Plan administrator, Morneau Shepell, and their lawyers. Also, the Monitor maintains a website which includes information and general updates regarding the CCAA proceedings (the "**Monitor's Website**"). The Monitor's Website can be found at <http://cfcanada.fticonsulting.com/bloomlake/>.

More Information

The Vendors' full motion record and court materials in connection with their request for the Court's approval for the transaction (including a copy of the executed Purchase Agreement and the draft form of the proposed Approval and Vesting Order) will be available on or about June 12, 2017 on the Monitor's Website under the "Motion Materials" tab at the following link: (<http://cfcanada.fticonsulting.com/bloomlake/motions.htm>). If you are unable to access the Monitor's Website, the Plan Administrator can deliver a printed copy of the motion record to you upon request to the Plan Administrator. In addition, the Monitor will be filing a detailed report on the transaction and that report will also be available on the Monitor's Website.

If you have any questions regarding any of the foregoing please contact the Plan Administrator at 1-855-649-8648 or WabushBargaining@morneaushepell.com or their lawyers, Pink Larkin, attention Bettina Quistgaard, at 902-423-7777 or bquistgaard@pinklarkin.com.

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

Name:

cc: Financial Services Regulation Division, Government of Newfoundland and Labrador
Office of the Superintendent of Financial Institutions, Department of Justice (Canada)
Retraite Québec, Government of Québec
Morneau Shepell
United Steelworkers

PAR LA POSTE

AVIS D'AUDITION RELATIVE À LA MINE WABUSH SCULLY

Date: [5] Juin 2017

Destinataires: Membres et bénéficiaires du régime de retraite des employés de l'unité de négociation de Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company et Wabush Lake Railway Company, Limited (Terre-Neuve et Labrador No. 024699-000; ARC No. 0555201; Bureau du Surintendant des institutions financières Numéro 57777) (ci-après désigné « **Régime de retraite** »)

De: Wabush Iron Co. Limited (« **Wabush Iron** »), Wabush Resources Inc. (« **Wabush Resources** ») et Wabush Lake Railway Company Limited (« **Wabush Lake Railway** »), désignés collectivement comme les « **Vendeurs** »

Objet: Avis d'audition fixée le [26] juin 2017 visant à obtenir l'autorisation du tribunal pour la vente de la mine Wabush Scully

Vous avez reçu cet avis d'audition puisque les registres de l'Administrateur du Régime de retraite indiquent que votre conjoint(e) ou vous-même êtes membre ou bénéficiaire du Régime de retraite, en tant qu'ancien employé syndiqué de Wabush Iron, Wabush Resources ou Wabush Lake Railway, ou que vous êtes le représentant légal d'un tel bénéficiaire. Si vous avez reçu cet avis par erreur, veuillez s'il vous plaît l'ignorer.

Une audition aura lieu à 9h30, le 26 juin 2017, devant la Cour supérieure du Québec, District de Montréal (Chambre commerciale), située au 1 rue Notre-Dame Est, Montréal, Québec pour autoriser la vente de la mine Wabush Scully. Lors de l'audience, les parties demanderont au tribunal de rendre une ordonnance déclarant que l'acquéreur éventuel ne sera pas tenu responsable des obligations relatives au Régime de retraite et aux autres régimes d'avantages sociaux des employés, contractées antérieurement par les Vendeurs, ni de toutes questions liées à la santé et sécurité au travail, ni de toutes réclamations pour dommages corporels ou toutes réclamations dont les faits générateurs sont antérieurs à la conclusion de la vente (incluant, notamment, les réclamations liées à l'amiante, à la silice ou à l'inhalation de poussières).

Tel que vous en avez été informé, le Régime de retraite a pris fin et est présentement en processus de liquidation, conformément aux ordonnances des autorités fédérale et provinciale de réglementation des régimes de retraite. L'ordonnance recherchée n'affectera aucune réclamation relative au Régime de retraite ou aux autres régimes d'avantages sociaux des employés à l'encontre des Vendeurs.

Comme vous le savez, les Vendeurs se sont placés sous la protection de la *Loi sur les arrangements avec les créanciers des compagnies* (LACC) le 20 mai 2015. Depuis, les Vendeurs ont multiplié les processus de vente dans le but de trouver un acheteur pour la mine de Wabush Scully. L'offre de l'acquéreur éventuel constituait la meilleure offre reçue et la seule qui proposait de reprendre l'exploitation de la mine. Aucune offre reçue ne proposait de prendre en charge les obligations relatives au Régime de retraite ou aux autres régimes d'avantages sociaux des employés. Les Vendeurs et le Contrôleur nommé par le tribunal sont d'avis que la transaction proposée est dans le meilleur intérêt des parties intéressées pour plusieurs raisons, notamment :

1. L'acquéreur éventuel a l'intention de reprendre l'exploitation de la mine Scully, ce qui occasionnera la création d'emplois et d'opportunités d'affaires ;
2. La transaction inclut la prise en charge par l'acquéreur éventuel de certains engagements financiers, qui autrement donneraient lieu à d'importantes réclamations à l'encontre des Vendeurs; et
3. La transaction générera des fonds supplémentaires pour les Vendeurs.

Si vous avez des questions ou désirez parler à quelqu'un pour obtenir de plus amples informations, vous trouverez les coordonnées de l'Administrateur du Régime de retraite, Morneau Shepell, et de leurs avocats à la toute fin de cet avis. De plus, des informations et mises à jour générales sur les procédures en vertu de la LACC sont disponibles sur le site web du Contrôleur (ci-après désigné le « **Site web du Contrôleur** »), accessible via le lien suivant : <http://cfcanada.fticonsulting.com/bloomlake/>.

Informations supplémentaires

La requête des Vendeurs et les documents relatifs à la demande d'autorisation de la vente au tribunal (incluant une copie de la convention d'achat et un projet d'ordonnance d'approbation et de dévolution) seront disponibles le ou vers le 12 juin 2017 sur le Site web du Contrôleur, sous l'onglet « Requêtes », via le lien suivant : (<http://cfcanada.fticonsulting.com/bloomlake/motions.htm>). Si vous n'êtes pas en mesure d'accéder au Site web du Contrôleur, l'Administrateur du Régime de retraite pourra vous faire livrer une copie physique de la requête sur demande. De plus, le rapport détaillé du Contrôleur portant sur la transaction sera disponible sur le Site web du Contrôleur.

Si vous avez des questions concernant ce qui précède, s'il vous plaît contacter l'Administrateur du Régime de retraite par téléphone au 1-855-649-8648 ou par courriel au WabushBargaining@morneaushepell.com. Vous pouvez également rejoindre leurs avocats, Pink Larkin, à l'attention de Bettina Quistgaard, par téléphone au 902-423-7777 ou par courriel au bquistgaard@pinklarkin.com.

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

Nom: Clifford T. Smith

cc: *Financial Services Regulation Division*, Gouvernement de Terre-Neuve et Labrador
Bureau du surintendant des institutions financières, Ministère de la Justice (Canada)
Retraite Québec, Gouvernement du Québec
Morneau Shepell
Syndicat des Métallos

EXHIBIT "A"

FORM OF ACCESS AGREEMENT

See attached.

ACCESS AGREEMENT

THIS ACCESS AGREEMENT dated as of the [●] day of _____, 2017
(the “**Effective Date**”)

BETWEEN:

CLIFFS QUÉBEC IRON MINING ULC

BLOOM LAKE GENERAL PARTNER LIMITED

BLOOM LAKE RAILWAY COMPANY LIMITED

ARNAUD RAILWAY COMPANY

WABUSH IRON CO. LIMITED

WABUSH RESOURCES INC.

WABUSH LAKE RAILWAY COMPANY LIMITED

BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP

-and-

TACORA RESOURCES INC.

WHEREAS pursuant to an initial order of the Québec Superior Court [Commercial Division] (the “**Court**”) dated January 27, 2015 (as the same may be amended and restated from time to time), in the proceedings bearing Court File No. 500-11-048114-157 (the “**CCAA Proceedings**”), Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and the Bloom Lake Iron Ore Mine Limited Partnership (collectively, the “**Bloom Lake CCAA Parties**”), obtained protection from their creditors under the Companies’ Creditors Arrangement Act (Canada) (the “**CCAA**”) and FTI Consulting Canada Inc. was appointed as monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”).

WHEREAS pursuant to an Order of the Court dated May 20, 2015 in the CCAA Proceedings, Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the “**Wabush CCAA Parties**”) were added to the CCAA Proceedings and obtained protection from their creditors under the CCAA.

WHEREAS pursuant to Orders of the Court dated April 17, 2015 and June 9, 2015, the CCAA Parties were authorized to conduct a sale and investor solicitation process for the property and business of, among others, each of the Vendors.

WHEREAS pursuant to the Asset Purchase Agreement dated as of [●], 2017 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Asset**”

Purchase Agreement”) between the Vendors, as vendors, Tacora Resources Inc., as purchaser (the **“Purchaser”**) and MagGlobal LLC, as guarantor, the Purchaser purchased, among other things, all of the Vendors’ right, title and interest in and to the Premises (defined below).

WHEREAS pursuant to the Asset Purchase Agreement, the assets and equipment set out in Schedule “B” hereto are excluded from, or otherwise do not form any part of, the assets being acquired by the Purchaser (together with any additional assets and equipment which may be included from time to time with the consent of the Purchaser, such consent not to be unreasonably withheld, collectively, the **“Excluded Assets”**).

WHEREAS the Purchaser and certain of the CCAA Parties have agreed that the Excluded Assets may remain on the Premises in accordance with the terms and conditions of this Access Agreement.

WHEREAS pursuant to Section 7.3(6) of the Asset Purchase Agreement, this Access Agreement, duly executed by the Purchaser, is required to be delivered by the Purchaser to the Vendors on the closing thereof.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, it is agreed as follows:

1. **Definitions**

Whenever used in this Access Agreement, the following words and terms have the meanings set out below:

“Access Agreement” means this agreement and all Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

“Access Parties” means collectively (i) the CCAA Parties who are Parties to this Agreement, (ii) any trustee in bankruptcy of any of the CCAA Parties who are Parties to this Agreement, (iii) any purchaser of Excluded Assets, or (iv) any Person that holds a hypothec, lien or other security or leasehold interest over any Excluded Asset, in each case of the foregoing clauses (iii) and (iv), that becomes a party to this Access Agreement by execution and delivery of the Acknowledgment.

“Access Party Indemnified Parties” has the meaning set out in Section 3.1.

“Acknowledgment” means an acknowledgment in substantially the form of Schedule “A” hereto.

“Activities” means collectively, (i) dismantling any of the Excluded Assets, (ii) transferring, transporting, removing or disposing any of the Excluded Assets, (iii) inspecting, quality testing or gathering information with respect to any of the Excluded Assets, (iv) safely storing any of the Excluded Assets, (v) repairing any of the Excluded Assets or maintaining any of the Excluded Assets in marketable condition, (vi) advertising and marketing in relation to any of the Excluded Assets, including showing and/or demonstrating any of the Excluded Assets to potential purchasers interested in

purchasing any such Excluded Assets from any Access Party, (vii) preparing any of the Excluded Assets for auction or sale and carrying out such auction or sale, and (viii) any activities reasonably related to the foregoing.

“**Agents**” means any employee, representative or agent of any of the Access Parties and includes any Person or Persons retained by any of the Access Parties for the purposes of carrying out any of the Activities (including, for greater certainty, any direct or indirect subcontractors retained to conduct any Activities).

“**Asset Purchase Agreement**” has the meaning set out in the recitals hereto.

“**Bloom Lake CCAA Parties**” has the meaning set out in the recitals hereto.

“**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montréal, Québec, the City of St. John’s, Newfoundland and Labrador, the City of Toronto, Ontario, or the City of Cleveland, Ohio.

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

“**CCAA Parties**” means collectively, the Bloom Lake CCAA Parties and the Wabush CCAA Parties.

“**CCAA Proceedings**” has the meanings set out in the recitals hereto.

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

“**Effective Date**” means the Closing Date as defined in the Asset Purchase Agreement.

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

“**Governmental Authority**” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

“**Losses**”, in respect of any matter, means all losses, claims, demands, proceedings, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all

reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

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

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“**Party**” means a party to this Access Agreement and any reference to a Party includes its successors and permitted assigns, and “**Parties**” means more than one of them.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Premises**” means all premises acquired by the Purchaser pursuant to the Asset Purchase Agreement.

“**Purchaser**” has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof.

“**Regular Business Hours**” means 7:00 AM until 6:00 PM (Newfoundland & Labrador time).

“**Representatives**” means any employee, agent, contractor, sub-contractor or other representative of the Purchaser.

“**Term**” has the meaning set out in Section 4.1.

“**Vendors**” means collectively, Wabush Iron Co. Limited, Wabush Resources Inc. and Wabush Lake Railway Company Limited.

“**Wabush CCAA Parties**” has the meaning set out in the recitals hereto.

2. Access Rights

2.1 Access Parties

The Purchaser acknowledges and agrees that from and after the Effective Date and during the Term, the Excluded Assets shall be entitled to remain on the Premises and each of the Access Parties and their respective Agents and any potential purchasers of Excluded Assets accompanying any Access Parties or their respective Agents shall, on reasonable prior notice to the Purchaser and during Regular Business Hours, be permitted access to and across the Premises and shall have the right to use the Premises for the purpose of preparing for and undertaking the Activities, in the case of each of the foregoing, without any costs or charges of any kind to the Access Parties, including, without limitation, any cost or charge in respect of rent or property taxes. The grant of such access rights is subject to the following terms:

- (a) Each Access Party acknowledges and agrees that such Access Party’s access to the Premises will be at its sole risk and expense and that the Purchaser shall not

have any responsibility or liability in connection with the Excluded Assets or the Activities.

- (b) Each Access Party agrees that it will, and it will cause its Agents to, access and use the Premises and conduct the Activities in accordance with and subject to:
 - i. all applicable industry standards and laws, including applicable environmental, health and safety and workers compensation laws and regulations, and permits and authorizations necessary, if any, to conduct the Activities; and
 - ii. reasonable security measures imposed by the Purchaser.
- (c) Prior to conducting any Activity, the applicable Access Parties will provide to the Purchaser, or cause its Agents to provide to the Purchaser a description of the proposed Activity, including the nature of such Activity, the expected duration of such Activity and the identity of all Access Parties and Agents, if applicable, that will require access to the Premises in connection with such Activity.
- (d) Each Access Party will not, and will cause any potential purchaser of Excluded Assets accompanying such Access Party and their respective Agents not to, interfere with the work and operation activities of the Purchaser on the Premises and subject to and in accordance with Section 2.3, the Purchaser is entitled to move the Excluded Assets on the Premises if they interfere with the work and operation activities of the Purchaser.
- (e) Each Access Party and its respective Agents will only use their own equipment to conduct the Activities and may not use the Purchaser's equipment or assets unless agreed upon by the Purchaser.
- (f) Without limiting the obligations of the Access Parties in Section 3, each Access Party shall, prior to conducting any Activity which may pose a risk of damage to the Premises or to any asset of the Purchaser on the Premises, obtain and maintain liability insurance from an insurance company and such insurance shall be in an amount and with such coverage as is commercially reasonable, taking into account the nature of the Activities to be conducted by such Access Party, the whole to the satisfaction of the Purchaser, acting reasonably.

2.2 **Monitor**

The Purchaser acknowledges and agrees that from and after the Effective Date, the Monitor and any potential purchasers of Excluded Assets accompanying the Monitor shall, on reasonable prior notice to the Purchaser and during Regular Business Hours, be permitted access to the Premises and the Excluded Assets for the purpose of (i) inspecting the Excluded Assets or gathering information with respect to any of the Excluded Assets, (ii) advertising and marketing in relation to any of the Excluded Assets, including showing any of the Excluded Assets to potential purchasers interested in purchasing any such Excluded Assets, and (iii) any activity reasonably ancillary to the foregoing, in each case, without any costs or charge of any kind, including any cost or charge in respect of rent or property taxes. The Monitor acknowledges and agrees that the grant of such access will be at its sole risk and expense.

2.3 **Designated Area**

At any time during the Term, the Purchaser shall be entitled to transport the Excluded Assets to a designated area of the Premises at its own risk and peril, cost and expenses provided that prior to carrying out such transportation, the Purchaser will provide to all Access Parties and the Monitor, a description of the designated area of the Premises that the Excluded Assets will be transported to. In carrying out any of its rights in this Section 2.3, the Purchaser shall exercise reasonable care and diligence in transporting such Excluded Assets.

3. **Indemnifications**

3.1 **Indemnification in favour of the Purchaser**

Each of the Access Parties severally, and not jointly or jointly and severally or jointly and solidarily, indemnifies and holds the Purchaser and its officers, directors and Representatives (collectively, the “**Access Party Indemnified Parties**”) harmless against and in respect of any and all Losses which may be suffered by the Access Party Indemnified Parties or which the Access Party Indemnified Parties may sustain, pay or incur arising out of or otherwise in connection with such Access Party’s use and/or access to the Premises or conduct of the Activities; provided, however, that the indemnification in this Section 3.1 shall not in any way delay any distribution to creditors of an applicable indemnifying CCAA Party unless at the time of the proposed distribution an actual claim seeking indemnification under this Section 3.1 has been made by an Access Party Indemnified Party and an adequate cash or other reserve is not available in respect of such claim if such claim were to be finally determined at a later date to be valid. For greater certainty and the avoidance of doubt, no Access Party will be required to indemnify any Access Party Indemnified Party against and in respect of any Losses which were the result of actions of other Access Parties or their respective Agents.

4. **Term and Termination**

4.1 **Term**

This Access Agreement shall continue for a term (the “**Term**”) beginning on the Effective Date and ending on October 31, 2017. The Parties agree that the obligations of the Purchaser and the Access Parties pursuant to Section 3 will survive any termination of this Access Agreement.

4.2 **Removal of Assets at End of the Term**

Each applicable Access Party hereby agrees and undertakes, at each such Access Party’s sole cost and expense, to transport, remove or dispose of each Excluded Asset of such Access Party out of the Premises by the end of the Term.

5. **General**

5.1 **Interpretation Not Affected by Headings, etc.**

The division of this Access Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Access Agreement. The terms “this Access Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Access Agreement and not any particular section hereof.

5.2 **Extended Meanings**

In this Access Agreement, words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations, and Governmental Authorities. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

5.3 Schedules

The Schedules attached to this Access Agreement form an integral part of this Access Agreement for all purposes. Without limiting the generality of the foregoing, any terms, conditions, provisions, agreements or covenants set out in the Schedules are terms, conditions, provisions, agreements and covenants of this Access Agreement, binding on the Parties hereto.

5.4 Entire Agreement

This Access Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Access Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. Other than as set out herein, there are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Access Agreement (whether oral or written, express or implied, statutory or otherwise). Notwithstanding the foregoing, as it relates to the Vendors and the Purchaser, in the event of any inconsistency between the provisions of this Access Agreement and the provisions of the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall prevail.

5.5 Disputes

If any dispute arises with respect to this Access Agreement that cannot be resolved as between the Parties, such dispute will be determined by the Court and the Parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

5.6 Notice

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Access Agreement by a Party shall be in writing and shall be sent by email to the email address set out below or to such other address or email address as shall be specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Toronto time) in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

(i) if to the CCAA Parties, to:

Cliffs Québec Iron Mining ULC

Attention: **James Graham**
General Counsel & Secretary
E-mail: James.Graham@CliffsNR.com

- and -

Attention: **Clifford T. Smith**
Executive Vice President
E-mail: Clifford.Smith@CliffsNR.com

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP

Attention: **Thomas A. McKee**
E-mail: tom.mckee@blakes.com

- and -

Attention: **Milly Chow**
E-mail: milly.chow@blakes.com

(ii) if to the Purchaser, to:

c/o Tacora Resources Inc.
102 NE 3rd Street
Suite 120
Grand Rapids, Minnesota 55744

Attention: Joe Broking
Email: joe.broking@magnetation.com

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street,
Toronto, ON M5L 1B9

Attention: **John Ciardullo**
Email: jciardullo@stikeman.com

and in either case, with a copy to the Monitor, to:

FTI Consulting Canada Inc.

Attention: **Nigel Meakin**
E-mail: nigel.meakin@fticonsulting.com

- and -

Norton Rose Fulbright Canada LLP

Attention: **Sylvain Rigaud**
E-mail: sylvain.rigaud@nortonrosefulbright.com

5.7 Assignment and Enurement

Each of the Parties covenants and agrees that it will not assign or transfer this Access Agreement or any rights hereunder without the written consent of the other Parties, such consent not to be unreasonably withheld. Notwithstanding the aforementioned, the Purchaser may sell, assign, transfer, sublet or otherwise dispose of the Premises in whole or in part without obtaining the consent of the Parties, provided that (i) this Access Agreement is assigned and assumed by such assignee, transferee, purchaser or Person acquiring such portion of the Premises, and (ii) such assignee, transferee, purchaser or person acquiring such portion of the Premises executes an acknowledgment agreeing to be bound by the terms of this Agreement as though it were a party hereto and the Purchaser hereunder. Subject to the foregoing, this Access Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5.8 Further Assurances and Relationship

Each of the Parties hereto covenants and agrees to execute and deliver such further documents and assurances and do such further things within its power as may be necessary or desirable in performance of its obligations hereunder. No Party shall be obliged to enter into any further agreement with the other. Nothing herein shall comprise a partnership, joint venture, or the relationship of principal and agent.

5.9 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing between the Parties hereto or by their respective solicitors.

5.10 Governing Law

This Access Agreement shall be governed and construed and enforced in accordance with the internal laws of the Province of Ontario and the laws of Canada applicable therein.

5.11 Amendments

No term or provision of this Access Agreement may be changed, waived or modified except with the consent of the Monitor and by instrument in writing signed by all Parties to this Access Agreement.

5.12 Execution in Counterparts

This Access Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the

signature page to this Access Agreement by pdf email scan shall be effective as delivery of a manually executed counterpart of this Access Agreement.

5.13 Survival

Sections 2.1(a), 3, 4.2 and 5 (to the extent applicable) of this Access Agreement shall survive expiry or early termination hereof.

5.14 Waiver

No waiver or release by a Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

5.15 Monitor's Capacity

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the CCAA Parties in the CCAA Proceedings, will have no liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal capacity or otherwise. Further, the Monitor shall not be deemed to be an agent of any of the Access Parties.

5.16 Language

The Parties hereto acknowledge and confirm that they have requested that the present Access Agreement and all notices and communications contemplated hereby be drafted in the English language. Les Parties aux présentes reconnaissent et confirment qu'ils ont exigé que la présente Convention ainsi que tout avis et communications projetés par la présente soient rédigés dans la langue anglaise.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Parties have executed this Access Agreement as of the date first above written.

CLIFFS QUÉBEC IRON MINING ULC

By: _____

Name:

Title:

Authorized Signatory

BLOOM LAKE GENERAL PARTNER LIMITED

By: _____

Name:

Title:

Authorized Signatory

BLOOM LAKE RAILWAY COMPANY LIMITED

By: _____

Name:

Title:

Authorized Signatory

THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP by its General Partner, Bloom Lake General Partner Limited

By: _____

Name:

Title:

Authorized Signatory

WABUSH IRON CO. LIMITED

By: _____

Name:

Title:

Authorized Signatory

WABUSH RESOURCES INC.

By: _____

Name:

Title:

Authorized Signatory

**WABUSH LAKE RAILWAY COMPANY
LIMITED**

By: _____

Name:

Title:

Authorized Signatory

ARNAUD RAILWAY COMPANY

By: _____

Name:

Title:

Authorized Signatory

TACORA RESOURCES INC.

By: _____

Name:

Title:

Authorized Signatory

**FTI CONSULTING CANADA INC., in its
capacity as Monitor of the CCAA Parties, and
not in its personal capacity**

Name:

Title:

SCHEDULE "A"
ACKNOWLEDGEMENT

TO: Tacora Resources Inc.

AND TO: The CCAA Parties (as defined in the Access Agreement)

AND TO: FTI Consulting Canada Inc. as monitor of the CCAA Parties (as defined in the Access Agreement)

FROM: **[NAME OF ACCESS PARTY]**

RE: Access Agreement dated as of _____, 2017 (as it may be amended, restated or supplemented from time to time, the "**Access Agreement**")

The undersigned hereby confirms and acknowledges that **[he/she/it]** has reviewed the terms of the attached Access Agreement and agrees to be bound by its terms in respect of the Excluded Assets set out in the attached Exhibit A as though **[he/she/it]** were a party thereto and an Access Party thereunder.

The undersigned's address for service for the purposes of Section 5.6 of the Access Agreement shall be as follows:

[email address of Access Party]

All initially capitalized terms not herein defined have the meaning ascribed to them in the Access Agreement.

Dated this _____ day of _____, 2017.

Witness (in the case of an individual): **[NAME OF ACCESS PARTY]**

Name:

By: _____
Name:
Title:

SCHEDULE “B”
EXCLUDED ASSETS

1. All minute books and other corporate records of the Vendors and, provided that copies are provided to the Purchaser, any Books and Records that the Vendors are required by Applicable Law to retain in their possession.
2. The rights of the Vendors under this Agreement or any other agreement or instrument executed and delivered pursuant to this Agreement.
3. All accounts receivable, bills receivable, trade accounts, book debts and insurance claims Related to the Business, together with any unpaid interest accrued on such items and any security or collateral for such items, including (i) recoverable deposits other than related to the Assigned Contracts, and (ii) any amounts to be payable or released to the Vendors from the Disputed Post-Filing Royalties.
4. All cash, cash equivalents and short-term investments of the Vendors, including the Deposit, and any amounts held by the Vendors in escrow other than related to the Assigned Contracts, including, any amounts to be payable or released to the Vendors from the Disputed Post-Filing Royalties.
5. All bank accounts of the Vendors.
6. All rights to receive a refund of and/or credit in respect of, Taxes paid by or on behalf of a Vendor.
7. All Tax Returns of the Vendors.
8. All Tax installments paid by or on behalf of a Vendor.
9. All present and future claims of any nature or kind whatsoever of any of the Vendors against an Affiliate of such Vendor, whether such Affiliate is a party to this Agreement or otherwise.
10. All Vendor Surety Bonds (including the benefit thereof); all causes of action which arise from loss, damage or facts occurring prior to Closing and any insurance proceeds or claims payable for losses or damages incurred prior to Closing.
11. Global alliance, purchasing, supply, consignment, distribution and logistics Contracts entered into from time to time by any of the Vendors and/or its Affiliate(s) that benefit other businesses of Vendors and/or its Affiliate(s) as well as the Business.
12. All software assets and Contracts, whether relating to enterprise-wide information technology applications or otherwise, except for (i) software assets and Contracts primarily relating to Vendors site-specific process control or process monitoring systems; and (ii) basic operating system software remaining on the hardware after the removal of

Vendors' information and licensors' proprietary software applications, in each case of clauses (i) and (ii), only to the extent that the same are transferable without the applicable licensor's consent.

13. All Proprietary Marks.
14. All assets of the Vendors not located in the province of Newfoundland and Labrador other than (i) the Manganese Reduction Equipment, (ii) Intellectual Property included as part of the Purchased Assets, and (iii) goodwill.
15. All Wabush style fully enclosed bottom dumper railcars, wherever such railcars are located, that were sold pursuant to an Asset Purchase Agreement dated December 23, 2015 among, *inter alios*, the Vendors and Investissement Québec, as assigned by Investissement Québec to Société ferroviaire et portuaire de Pointe-Noire s.e.c pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, and executed on February 1st, 2016.
16. Personal property owned by suppliers and located at the Scully Mine site.
17. All residential properties, whether located on the Owned Real Property or Leased Real Property, including houses and apartment buildings and the property located at 35 Baltimore Street.
18. The JR Smallwood School.
19. The shares of Twin Falls Power Corporation Limited and its minute books and other corporate records.
20. The minute books and other corporate records of Northern Lands.
21. The minute books and other corporate records of Knoll Lake.
22. The Purchased Assets as defined and described in the asset purchase agreement dated as of November 3, 2016 among Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Lake Railway Company Limited, as vendors, and Newfoundland and Labrador Hydro, as purchaser, as such asset purchase agreement may be amended, restated or supplement from time to time in accordance with its terms.
23. The Purchased Assets as defined and described in the asset purchase agreement dated as of December 23, 2015 among Cliffs Québec Iron Mining ULC, Wabush Resources Inc., Wabush Iron Co. Limited and Arnaud Railway Company, as vendors, and Investissement Québec, as purchaser, as assigned to Société ferroviaire et portuaire de Pointe-Noire s.e.c., as assignee pursuant to an Assignment and Assumption Agreement dated as of January 29, 2016, as such asset purchase agreement may be amended, restated or supplemented from time to time in accordance with its terms.
24. The Purchased Assets as defined and described in each of the RBA APAs.

25. All assets previously sold by the Vendors or their affiliates in the CCAA Proceedings which remain at the Scully Mine site.
26. CMMS or Computer based Maintenance Management System.
27. All Contracts other than the Assigned Contracts.
28. The Disputed Deadbed Action.
29. All rights and assets under or maintained pursuant to or in connection with any Employee Plan.