

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-048114-157

SUPERIOR COURT

(Commercial Division)

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

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT
OF:

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

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MICHAEL KEEPER, residing and domiciled at
1049 Fitzsimmons Drive, in the city of Brockville,
Province of Ontario, K6V 0A2

TERENCE WATT, residing and domiciled at 6
Willow Street, Suite 1001, in the city of Waterloo,
Province of Ontario, N2J 4S3

DAMIEN LEBEL, residing and domiciled at 14
rue de Pégase, in the city of Bonsecours, judicial
district of Bedford, J0E 1H0

NEIL JOHNSON, residing and domiciled at 72
Whiteway Drive, in the city of Wabush, Province of
Newfoundland and Labrador, A0R 1B0

Petitioners-Mises-en-cause

MOTION FOR AN ORDER APPOINTING THE PETITIONERS-MISES-EN-CAUSE AS REPRESENTATIVES OF SALARIED/NON-UNION AND RETIRED EMPLOYEES OF THE WABUSH CCAA PARTIES

(Sections 11 and 11.52 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA"))

TO THE HONOURABLE MR. JUSTICE STEPHEN W. HAMILTON, J.S.C., OR TO ONE OF THE HONOURABLE JUDGES SITTING IN THE COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS-MISES-EN-CAUSE RESPECTFULLY SUBMIT THE FOLLOWING:

I. INTRODUCTION

1. The Petitioners-Mises-en-cause, **Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson** (the "**Proposed Representatives**") hereby request that this Honourable Court exercise its discretion under section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. c. C-36, as amended (the "**CCAA**") to appoint them to represent, in these proceedings, all salaried/non-union employees and retirees of the Wabush CCAA Parties (namely, Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited) or any person claiming an interest under or on behalf of such former employees or pensioners and surviving spouses in receipt of a pension, or group or class of them (collectively the "**Salaried Members**"), and in particular, as representative of all salaried/non-union employees and retirees of the following pension and benefit plans:

- (a) Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (CRA registration No. 0343558) (the "**Salaried Plan**");

- (b) Participants in the Wabush Mines Registered Retirement and Savings Plan (the “**Group RRSP**”);
 - (c) Wabush Mines, Cliffs Mining Company, Managing Agent – Supplemental Retirement Arrangement (the “**SRA**”); and
 - (d) Post-retirement benefit plans applicable to salaried employees of the Wabush Group (the “**Health Benefits**”).
2. The Salaried Members are a major stakeholder group who are impacted by these proceedings. They are beneficiaries under priority pension and benefit claims and are amongst the most affected stakeholders at the table during the SISP, restructuring, and any plan of compromise negotiations – the very *raison d’être* and ultimate goal of the recent addition of the Wabush Parties to these CCAA proceedings and to the SISP more specifically. Yet this vulnerable group of stakeholders has no effective current representation before this Court, absent the relief sought by this Motion.
3. Further, the Wabush CCAA Parties, and the directors in particular, have admitted they are in a conflict of interest in their fiduciary duty to the company and as fiduciary to the pension plan members in respect of which they are required to ensure that beneficiaries’ rights are effectively considered and protected in these proceedings. If the conflict is left unchecked, it could readily result in prejudice to the interests of beneficiaries by the very fiduciaries who are under a duty to protect their interests. This situation is rectifiable, however, by the appointment of the Proposed Representatives and representative counsel as requested by this Motion.

II. THE BLOOM LAKE CCAA PROCEEDINGS

4. On January 27, 2015, Bloom Lake General Partner Limited and certain of its affiliates (collectively, the **“Bloom Lake CCAA Parties”**) filed for and obtained protection from their creditors under the CCAA pursuant to a court order from the Québec Superior Court, Commercial Division (the **“Court”**) (the **“Bloom Lake Initial CCAA Order”**).
5. Since the Bloom Lake Initial CCAA Order, a number of steps have been taken, including the approval of a Sale and Investor Solicitation Process (the **“SISP”**) on April 17, 2015.
6. On May 20, 2015, a motion (the **“First Day Motion”**) was brought to extend the CCAA protection granted to the Bloom Lake CCAA parties to five additional entities, including Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines JC, Arnaud Railway Corporation and Wabush Lake Railway Company Limited (collectively the **“Wabush CCAA Parties”** and together with the Bloom Lake CCAA Parties, the **“CCAA Parties”**) to facilitate the reorganization of each of their business and operations (the **“Wabush Initial CCAA Order”** ; all terms used by but not expressly defined herein have the meaning ascribed thereto in the Wabush Initial CCAA Order).
7. The Wabush CCAA Parties and Bloom Lake CCAA Parties (except Bloom Lake GP and Bloom Lake LP) are indirect wholly-owned subsidiaries of Cliffs Natural Resources Inc. The assets of the Wabush CCAA Parties are included in the SISP that is currently being conducted.

8. As was made clear in the First Day Motion, the addition of the Wabush CCAA Parties to these proceedings was in large measure due to the exigencies of the sale process and the interest of potential purchasers to purchase not only the assets of the original (Bloom Lake) CCAA parties but also those of the Wabush CCAA Parties. The assets of the latter have obvious value and there is a real prospect of achieving important sale proceeds and, ultimately, meaningful returns for the creditors of the Wabush CCAA Parties (notwithstanding any current cashflow shortages and submissions that these entities simply do not have assets to pay for certain obligations).

III. THE PROPOSED REPRESENTATIVES

9. The affidavit of Michael E. Keeper sworn June 15, 2015 recounts the background to his and the other Proposed Representatives' involvements in this proceeding and their personal and work history with Wabush Mines.

Michael Keeper

10. Michael Keeper is currently 70 years old. He commenced working with Wabush Mines in 1964 and remained in employment for 37 years (36 years, 11 months), working in Montreal and Pointe Noire. Mr. Keeper retired with Wabush Mines on May 1, 2001, age 56, from the position Area Manager, Materials. He currently lives at 1049 Fitzsimmons Drive, Brockville, Ontario.
11. In consideration for Mr. Keeper's 37 years of service with the company, he had a contract of employment with Wabush Mines where he earned wages and a salary, other

employment benefits such as health benefits (payable during employment and after retirement), and a pension. Mr. Keeper is pensioner member of the Salaried Plan. As part of his employment, he was required to contribute his own wages to the pension plan, which supplemented the company's contributions.

12. Mr. Keeper is also entitled to various post-retirement Health Benefits including Major Medical Benefits, Life Insurance, Hospital Expense Insurance and Travel Insurance. The company is obliged to contribute the cost of the premiums necessary to maintain these benefits, "for as long as you live".
13. Mr. Keeper is a qualified Proposed Representative.

Terence Watt

14. Mr. Watt resides at 6 Willow Street Suite 1001, Waterloo, Ontario, N2J 4S3.
15. Mr. Watt is a Salaried retiree of Wabush Mines where he worked for 30 years at the Scully Mine location in Labrador as Mine Superintendent. He started in April, 1969, working in Plant Engineering, responsible for housing construction for the Wabush townsite. He served as Mine Superintendent for 15 years of those 30 years. In his latter four years of employment he was Technical Assistant to the Resident Manager, Sully Mine. Watt retired from Wabush Mines on April 30, 1999.
16. Mr. Watt is a retired member of the Salaried Plan and has earned an entitlement to retiree Health Benefits.
17. In consequence of the foregoing, Mr. Watt is a qualified proposed representative

Damien Lebel

18. Mr. Lebel resides at 14 rue de Pégase, Bonsecours, Quebec.
19. Mr. Lebel is a Salaried retiree of Wabush Mines where he worked for 35 years in Pointe Noire. Mr. Lebel retired on June 30, 2004 at which time he held the position General Manager.
20. Mr. Lebel is a retired member of the Salaried Plan, has earned an entitlement to retiree Health Benefits, and has earned an entitlement to Supplemental Retirement Benefits (which is one of the plans being terminated as stated in the May 29 Letter).
21. In consequence of the foregoing, Mr. Lebel is a qualified proposed representative.

Neil Johnson

22. Mr. Johnson resides at 72 Whiteway Drive, Wabush, Labrador A0R 1B0.
23. Mr. Johnson is a salaried retiree of Wabush Mines where he worked for 32 years at Scully Mine. Mr. Johnson commenced employment as a millwright, and was subsequently made superintendent. Mr. Johnson retired on September 1, 1997 at which time he held the position Assistant Manager and Resident Manager.
24. Mr. Johnson is a retired member of the Salaried Plan, has earned an entitlement to retiree Health Benefits and also has earned an entitlement to Supplemental Retirement Benefits.
25. In consequence of the foregoing, Mr. Johnson is a qualified proposed representative.

Late Notice of the CCAA Proceedings

26. Following Mr. Keeper's retirement, between 2001 and 2015, he had little communications with the company, other than occasionally being in contact for administrative matters (e.g. a change in beneficiary designation);
27. To his surprise, in early June, 2015 he received two letters in the mail from Wabush Mines where the company said it was under CCAA protection and that it planned to seek court orders that are highly adverse to Mr. Keeper and his livelihood and impacts his earned pension and benefits that are payable to him:
 - (a) Letter dated May 27, 2015, notifying that the company commenced CCAA proceedings. This letter says that "a decision was made to suspend payments in respect of the post retirement employee benefits effective June 1, 2015. Therefore, all your insurance coverage (*Life ... and Medical*) will end on May 31, 2015. We realize that this is short notice of a significant change ...". Many other retirees received a similar letter that was dated May 21, 2015 in which the company notified of its intention to cease and suspend Health Benefits; and
 - (b) Letter dated May 29 2015 (the "**May 29 Letter**"). The letter states that the company is seeking the approval of this Court of their motion entitled "*Motion granting priority to certain CCAA charges, approving a sales and investor solicitation process, authorizing the engagement of a sale advisor, amending the sale and investor solicitation process, suspending the payment of certain pension amortization payments and post-retirement employee benefits, extending the stay*

of proceeding, and amending the Wabush Initial Order” (the “**Motion to Suspend Benefits and Rearrange Priorities**”) – filed on the same day as the May 29 Letter – in which the company seeks to:

- a) suspend payments respecting:
 - (1) the Salaried Plan and another company registered pension plan (the hourly bargaining plan) (together, the “**Pension Plans**”) during the CCAA proceedings in respect of payments intended to fund the current deficiencies in the Pension Plans plus catch-up and pension amortization payments owing to both Pension Plans;
 - (2) other post-retirement benefits, which are understand to be the same benefits described in the May 27 letter (i.e. the Health Benefits) that the company was proposing to suspend and cease effective May 31; and
 - (3) a Group RRSP and Supplementary Retirement Benefits (i.e. the SRA); and
- b) authorize that the DIP Interim Financing of \$10 million and Priority Charges of \$15 million be permitted to “rank in priority to all ... trusts, deemed trusts (statutory or otherwise) ... including any deemed trust created under the *Pension Benefits Act, 1997* (Newfoundland and Labrador)”;

28. In addition, the May 29 Letter says that the company is in a conflict of interest in its dual-role as both employer *and* administrator of the Pension Plans and Benefit Plans (the “**Conflict of Interest**”):

For the time being, Wabush Group will continue to act in both capacities during the CCAA Proceedings. Conflicts can arise between employer and administrator responsibilities. The purpose of this Notice is to advise you of these potential conflicts. **We encourage you to obtain legal and/or financial advise so that you can better understand any potential impact of the CCAA Proceedings and upcoming Court hearing on your legal rights.** (emphasis in original).

Formation of the Committee, Retainer of Legal Counsel and the Notice of Objection

29. On June 5, 2015, Mr. Keeper and the other Proposed Representatives who are affected former salaried employees formed a voluntary committee (the “**Salaried Steering Committee**”) and contacted and ultimately retained Koskie Minsky LLP to represent them in this CCAA Proceedings. Mr. Andrew Hatnay of Koskie Minsky LLP immediately registered an objection on their behalf with the CCAA Monitor.
30. On June 8, 2015, Koskie Minsky LLP filed a Notice of Objection to the Motion to Suspend Benefits and Rearrange Priorities, which has been accepted by the Monitor and CCAA Parties.
31. There is no representation of the salaried/non-union employees and retirees before the CCAA court, despite that this group is comprised of approximately 1000 individuals who are very significantly impacted by the CCAA proceedings. In particular, Salaried Members are significantly and adversely impacted by the intention of the company to

cease contributions to the Pension Plans and cease and suspend payment of other important benefits payable to retirees.

32. On June 9, 2015, Mr. Ari Kaplan of Koskie Minsky LLP and Mr. Nicholas Scheib of Étude Légale Scheib appeared before the CCAA Judge and were authorized to serve and file the within Representation Order Motion by June 15, 2015, to be heard by the court on June 22, 2015.

33. Since receiving the letters from Wabush Mines described above, the members of the Salaried Steering Committee have contacted other Salaried Members and are in the process of organizing themselves according to common interests in these proceedings, in which they are significant stakeholders. As of June 15, 2015, the Salaried Steering Committee has the support of almost 100 affected Salaried Members and this number is growing steadily. The Steering Committee continues its efforts to locate and communicate with affected Salaried Members.

IV. NEED FOR REPRESENTATION ORDER BECAUSE OF DETRIMENTAL IMPACT OF MOTION TO SUSPEND BENEFITS AND REARRANGE PRIORITIES, THE COMPANY'S CONFLICT OF INTEREST AND LACK OF ANY OTHER FEASIBLE REPRESENTATION

34. The company's Motion to Suspend Benefits and Rearrange Priorities directly and detrimentally impacts Salaried Members' vested benefits and entitlements. The proposed suspensions, if permitted by this court, will directly and immediately cause losses to Salaried Members, and will worsen the underfunding in the Pension Plans. These actions cause immediate and substantial hardship for affected Salaried Members and the Salaried Steering Committee opposes this Motion.

35. As noted above, there are likely around 1000 Salaried Members affected by these CCAA Proceedings. The most recent Actuarial Valuation Report on the Salaried Plan as at January 1, 2014 discloses the breakdown of the Salaried Plan totaling 941 Salaried Members as of that date, as follows:
- (a) 447 active and disabled employees in the Salaried Plan located predominantly in Newfoundland and Labrador, and Quebec:
 - i) 188 members with defined benefits; and
 - ii) 259 members with defined contribution benefits.
 - (b) 324 retired members and beneficiaries in payment of a monthly pension, located across Canada and elsewhere; and
 - (c) 170 transferred and terminated vested members, located across Canada and elsewhere.
36. The Salaried Members are a significant and vulnerable stakeholder group in these CCAA Proceedings and they require representation. This group is not yet represented in the proceeding as an organized group and are exposed to significant losses to pension and health benefits. Salaried Members have earned entitlements to retiree with pensions and benefits under the Pension Plans and Benefits Plans respectively including monthly pension benefits, retiree health and life insurance benefits, and certain retirees are also entitled to the payment of monthly supplementary pension benefits.
37. In particular,

- (a) **The Salaried Plan.** The suspension of the Pension Plan payments will very likely cause significant financial hardship to Salaried Members. The Pension Plans are already underfunded by the company, reportedly at 85% funding. By ceasing or suspending payments, the deficits will grow thereby further putting the security of pensions for all the plan members at risk or even reduction. The Wabush CCAA Parties are required to pay monthly amortization payments based on the 2014 Valuation of \$393,337.00 (Hourly DB Plan) and \$273,218.58 (Salaried DB Plan) for a total monthly amortization payment of \$666,555.58 (the "**Monthly Amortization Payments**"). In addition to the Monthly Amortization Payments, the Wabush CCAA Parties are also required to pay a lump sum "catch-up" amortization payment (the "**Yearly Catch Up Amortization Payment**") for the DB Plans estimated to be approximately \$5.5 Million due in July 2015. Retired Salaried Members are elderly and on fixed incomes. If the plans are wound up in an underfunded state it will result in significant pension benefit reductions to the monthly pension benefits payable to plan members. The Pension Plans are registered in Newfoundland and Labrador, which does not have any fund to supplement deficits in an underfunded, wound-up pension plan (in contrast to Ontario, which has the Pension Benefits Guarantee Fund that pays an amount to partially offset pension benefit losses). Notwithstanding that there is a real need to ensure that the funded status of the Salaried Plan is actively addressed in these proceedings and that any claims arising are properly made in any resulting plan negotiations, there is no actual independent plan administrator currently in place;

- (b) **Health and Life Insurance Benefits.** The Wabush CCAA Parties provide life insurance and health care benefits, to former hourly and salaried employees hired before January 1, 2013, which vary based on whether retirees were formerly members of a bargaining unit or were non-unionized salaried employees. Approximately 933 retired employees and 16 active employees are currently fully eligible for retirement benefits. The premiums required to fund the foregoing Benefits are approximately \$182,000 a month. As of December 31, 2014, the Wabush CCAA Parties advised that the accumulated benefits obligations for post-retirement benefits totaled approximately \$52.1 million. The suspension of the above premiums will cause the group insurance plan to be terminated by the group insurer, thus effectively terminating health benefit and life insurance coverage which will certainly cause significant financial hardship to Salaried Members. They are elderly and not eligible for replacement post-retirement benefits; and
- (c) **Supplemental Retirement Arrangement (SRA).** There is also a supplemental retirement arrangement plan for certain current and former salaried employees of Wabush Mines JV (including Proposed Representatives Messrs. Lebel and Johnson). The company states that “the obligations under the SRA are approximately \$1.01 million.” but there is no explanation of the amount of the monthly payment required the company for these pension benefits. The termination of the monthly SRA payments will cause immediate and significant hardship to the affected retirees, not least of which because they are elderly and have organized their financial affairs in expectation of funding their old age;

38. Moreover, the estimated amounts in respect of pre-filing and post-filing accrued and unpaid wages (including any bonuses, accrued and unpaid vacation indemnities (calculated as per company policies)) and statutory severance and termination entitlements and continuation of benefits were set out in the First Day Motion. On a consolidated basis, over a thirteen week basis starting May 22, 2015, hourly and salaried employees were owed \$1,182,000 CAD in payroll and employee benefits.

There is no one else who can represent Salaried Employees

39. There is no other group or stakeholder present at the CCAA Proceedings that can adequately represent Salaried Members:

- (a) There is a trade union, the United Steelworkers, who represent active unionized employees. This union does not represent non-union retired members, and the active union employees are in a different Pension Plan than Salaried Members and as such have different circumstances and interests;
- (b) There is the Superintendent of Pensions, Financial Services Regulation Division, Government of Newfoundland and Labrador. The Superintendent does not represent stakeholders in the Pension Plans, rather, his mandate is to regulate and administer the *Pension Benefits Act, 1997*. Moreover, his mandate does not extend to Health Benefits or other Benefit Plans; and
- (c) There is the federal Superintendent of Financial Institutions (“OSFI”), and this office jointly regulates the company’s hourly/bargaining pension plan with the

Superintendent of Newfoundland and Labrador. However, this regulator has no jurisdiction over the Salaried Plan;

The Company is in a conflict of interest

40. As noted earlier, the company in its capacity as the pension administrator of the Salaried Plan cannot represent the interests of Salaried Members. It has notified members in the May 29 Letter that it has a Conflict of Interest in respect of its role as both employer and the Pension Plans administrator. This causes serious concern, not least of which because the Court has authorized a D&O charge to protect company directors. In other words, a portion of the Wabush CCAA Parties' assets – that should be used to pay the Pension Plans' deficits and pay for other legitimate claims of stakeholders – are already earmarked to pay to protect and indemnify directors from the fallout of their post-filing, on-going decisions to refuse to resign as the Pension Plans administrator despite their admitted Conflict of Interest. In effect, the company assets are already destined to pay for the fall-out from this decision, via indemnifications;
41. Although the directors have admitted their conflict of interest, they have not proposed any meaningful measures to resolve the conflict to ensure that the Salaried Plan is properly managed in the CCAA proceedings, and that the pension plan members and beneficiaries' interests are addressed and protected;
42. The appointment and presence of representative counsel for Salaried Members would resolve the Conflict of Interest. By having representative counsel in place from the outset of these proceedings, the Salaried Members' rights and legitimate interests will be

represented in these proceedings and all claims arising from such rights and interests will be properly presented in a streamlined, coherent manner, without an issue of conflict of interest;

43. Absent such an appointment, there is a very good chance that the company assets charged with the D&O Charge, will be called upon to pay D&O claims to be filed in due course arising from the D&Os' post-filing acts including breaches of fiduciary owed to the Salaried Members as Pension Plans administrators. In short, it would not be fair to permit the Pension Plans to independently protect the rights and interests of their members;
44. The most significant Conflict of Interest is that the directors have authorized the Wabush CCAA Parties to seek approval of this Court of its DIP Financing arrangement and Priority Charge. A key condition for providing such financing appears to be the suspension of benefits under the Pension Plans and Benefit Plans, which is prejudicial to all Salaried Members and contrary to the company's fiduciary and statutory obligations as administrators of such Pension Plans;
45. To give but a few other examples of the company's failures as administrator of the Pension Plans that are illustrative of its Conflict of Interest, the company has made multiple amendments to, and plan restatements of, the Salaried Plan. However, it has not filed any of these amendments or restatements with the Superintendent *since 1997*, contrary to its statutory and fiduciary obligations under the *Pension Benefits Act, 1997*;
46. In addition, the most recently filed Annual Information Return (AIR) on the Salaried Plan as at December 31, 2013 identifies all members of the Salaried Plan as working in federal

“included employment”. However, this is an error and no employees under the Salaried Plan are in fact federally regulated. This confusion by the Salaried Plan administrator causes concern;

47. By appointing representative counsel, this Court can ensure that the rights of Salaried Members are protected and their issue brought before the Court in the most time efficient and cost-effective way possible;

V. QUALIFICATIONS OF REPRESENTATIVE COUNSEL

48. The proposed representative counsel would be Koskie Minsky LLP (“**Representative Counsel**”) who is a suitable Representative Counsel of the Salaried Members and would be working with Nicholas Scheib, a member of the Quebec bar. Mr. Scheib has been practicing law in Montreal since 2003 with a focus on insolvency and restructuring. This will ensure an efficient representation at all court proceedings.

49. Representative Counsel have first-hand knowledge of the issues that may be faced in these CCAA Proceedings. Koskie Minsky LLP have been appointed by courts across Canada as representative counsel to numerous employee groups in large CCAA restructurings, including *Ivaco* (representing the Quebec Pension Committee), *Smurfit Stone* (representing many Quebec retirees), the 2004 *Stelco* CCAA Proceeding, *Air Canada*, *Nortel Networks*, *Hollinger Canadian Publishing Holdings*, *Domgroup Ltd.*, *Catalyst Paper* (British Columbia), *Eaton’s*, among others.

50. The appointment of Representative Counsel will have numerous advantages to both the Wabush salaried/non-union employees and retirees and the CCAA proceeding as a whole. The role of Representative Counsel will include:

- (a) securing information from the company or Monitor with respect to the current cash flow of the company, the amount of underfunding of the Pension Plans, the latest actuarial reports, and the company's intentions while under CCAA, in particular whether it intends to restructure and continue in some form or liquidate its assets and distribute the assets in a claims process;
- (b) informing Salaried Members, both as a whole and with regard to each person's particular situation, of their rights and of the progression of the CCAA Proceeding including anticipated sale transactions pursuant to the SISP;
- (c) advising Salaried Members with respect to the CCAA Parties' sale transactions pursuant to the SISP and on matters related to any plan of compromise or arrangement that may be put forward by the CCAA Parties;
- (d) representing the interests of Salaried Members for the purpose of all decisions which might affect their rights in the course of these CCAA Proceedings and, if necessary, bring to the Court's attention any matters to be dealt with affecting their interests; and
- (e) contributing to overall costs savings and a streamlining of the CCAA process by being the single point of contact for Salaried Members, and as such provide

consistent representation for a variety of employee and retiree entitlements and claims in the CCAA proceeding.

51. Moreover, Representative Counsel will be able to assist the Salaried Members in evaluating their claims as required. Representative Counsel will be able to submit a cogent claim as to fact and law in respect of the relative priority of registered pension plan entitlements in what all parties will surely admit is an area of law in flux and with little established certainty. Salaried Member claims will be valued based on actuarial assumptions and methodologies and it is likely they will require the assistance of actuarial and/or benefit experts to confirm these calculations. Most individual Salaried Members likely do not have the means to obtain such expert advice in a cost-efficient and timely manner.
52. Moreover, by ensuring that the hundreds of such individual claims (as to non-registered, insured and supplemental benefits) are submitted in a consistent and comprehensive manner, the subsequent assessment and any necessary adjudication thereof can be done in a streamlined fashion and thereby avoid potentially conflicting decisions at first instance.
53. The requested Representation Order contemplates a notice and opt-out process to allow any Salaried Member to not be represented by the Representatives or Representative Counsel in the event they do not wish to be so represented.

Costs of the Salaried Members in these proceedings

54. As a consequence of the CCAA proceeding and its direct impact on the Salaried Members' pensions and benefits, the Proposed Representatives require and seek funding

of their reasonable legal costs from the Wabush CCAA Parties in connection with the Representation Order, as contemplated by s. 11.52(1)(b) and (c) of the CCAA.

55. Moreover, the presence of representation and funding for the Salaried Members will ensure that the Salaried Members' rights and claims in respect of the Pension Plans and Benefit Plans are protected and advanced throughout these proceedings, thereby helping to mitigate the on-going adverse effects caused by company's admitted conflict of interest. Further, appointing representative counsel at this time will ensure that any harm that may have already occurred due to the conflict of interest will be contained and prevented going forward.
56. In accordance with section 11.52(b) and (c) of the CCAA, funding for the legal costs of Representative Counsel to the Salaried Members should come from the Wabush CCAA Parties, and be subject to a priority charge in respect of all of the Property of the Wabush CCAA Parties, with the same rank as the other CCAA Charges ordered in these CCAA Proceedings, and ahead of other Encumbrances.

VI. CONCLUSION

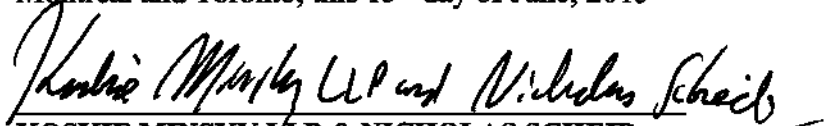
57. The relief sought herein is consistent with the objectives of the CCAA to facilitate the orderly negotiation of a plan of compromise or an arrangement between the Wabush CCAA Parties and its stakeholders. The Salaried Members are the only major stakeholder group that is unrepresented in these proceedings and are in urgent need of group representation at this time.

FOR THESE REASONS THE PETITIONER ASKS THAT THIS HONOURABLE COURT:

- [A] GRANT** the Proposed Representatives' motion appointing them as representatives of the Salaried Members in these CCAA proceedings, including, without limitation, for the purpose of providing, settling or compromising claims by the Salaried Members, with the proviso that any individual Salaried Member who does not wish to be represented by Representative Counsel and bound by their subsequent actions shall, within 30 days of publication of Representative Counsel's appointment as contemplated below, so notify the Monitor, in writing, by facsimile, mail or delivery, substantially in the form attached hereto as Appendix A, and thereafter they shall not be represented by Representative Counsel in these proceedings and shall represent themselves, personally or through counsel, as an independent, individual party to the extent that they wish to participate in these proceedings;
- [B] APPROVE** the Representative's engagement of Koskie Minsky LLP and Nicholas Scheib as counsel to them in their capacity as representatives for the Salaried Members in these CCAA proceedings, subject to this Honourable Court's ongoing supervisory jurisdiction over the fees and disbursements to be paid to counsel as part of these proceedings by the Wabush CCAA Parties;
- [C] DECLARES** that Representative Counsel to the non-union salaried employees and retirees of the CCAA Parties have security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted the same charge and security in the Property as granted to the Monitor, the Monitor's legal counsel, legal counsel for the CCAA Parties, independent counsel to the Directors, and the Monitor and the CCAA Parties' respective advisers to the extent of the aggregate amount of \$2,500,000 (the "**Administration Charge**"), having the priority established by paragraphs 46 and 47 of the Initial CCAA Order.
- [D] DIRECT** the notice of the granting of this Order be provided to the Salaried Members by advertisement in _____ at the expense of the Wabush CCAA Parties and under such other terms and conditions as to be agreed upon by the Representatives, the Wabush CCAA Parties and the Monitor;
- [D] AUTHORIZE** the Representatives, or their counsel on their behalf, to take all steps and to perform all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto;
- [E] AUTHORIZE** the Representatives to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties;

- [F] **DECLARE** that service and notice of this motion was good and sufficient; and
- [G] **THE WHOLE** without costs, unless contested.

Montreal and Toronto, this 15th day of June, 2015


KOSKIE MINSKY LLP & NICHOLAS SCHEIB
*Attorneys for the Petitioners-Mises-en-cause Michael
Keeper and Terence Watt*

APPENDIX A

NOTICE TO OPT-OUT OF REPRESENTATION IN CCAA PROCEEDINGS

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
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Attention: ●

Telephone: 416-649-8074
Toll free phone number: 1-844-846-7135
Email: Wabush@fticonsulting.com

**Re: Notice to Opt-Out of Representation in the Matter of Bloom Lake & Wabush Mines –
CCAA (the “CCAA Proceedings”)**

I _____, am a Non-Union Employee or Retiree.

The Order directs that Salaried Members who do not wish to be represented in the CCAA Proceedings by Representative Counsel and bound by their actions may opt out by delivering this letter in accordance with the terms of the Order.

I hereby notify the Monitor that I do not wish to be represented by the Representatives and bound by their action and I will be separately represented to the extent that I wish to appear in the CCAA Proceedings.

DATE

NAME

CANADA

**PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

No: 500-11-048114-157

**SUPERIOR COURT
(Commercial Division)**

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

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT
OF:**

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

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

**MICHAEL KEEPER, TERENCE WATT,
DAMIEN LABEL AND NEIL JOHNSON**

Petitioners-Mises-en-cause

**AFFIDAVIT OF MICHAEL E. KEEPER
(Sworn June 15, 2015)**

I, MICHAEL E. KEEPER, of 1049 Fitzsimmons Drive, City of Brockville, in the Province of Ontario, SOLEMLY DECLARE AND MAKE OATH AND SAY:

Introduction

1. I am a former employee of Wabush Mines who has earned a pension and other health and life insurance benefits and am directly affected by the Wabush CCAA proceedings.
2. I have knowledge of the matters to which I hereinafter depose except where stated to be based on information or belief and regarding such matters I believe same to be true. All capitalized terms used herein are the same as used and defined by the Petitioners in their prior materials except where noted. When reference is made herein to the "company" it applies to my former employer Wabush Mines.
3. I swear this affidavit:
 - (a) in support of a Motion for an Order Appointing the Petitioners-Mises-en-Cause (myself and three others) as Representatives of Non-Union and Retired Employees of the Wabush CCAA Parties (the "**Representation Order Motion**") and in particular as representative of all salaried/non-union employees and retirees (the "**Salaried Members**") of the following pension and benefit plans:
 - (i) Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (CRA registration No. 0343558) (the "**Salaried Plan**");

- 2 -

- (ii) Participants in the Wabush Mines Registered Retirement and Savings Plan (the “**Group RRSP**”);
 - (iii) Wabush Mines, Cliffs Mining Company, Managing Agent – Supplemental Retirement Arrangement (the “**SRA**”); and
 - (iv) Post-retirement benefit plans applicable to salaried employees of the Wabush Group (the “**Health Benefits**”); and
- (b) in opposition to the Wabush CCAA Parties’ motion of May 29, 2015 to suspend my benefits (namely certain payments, premiums and contributions to various employee pension and benefit plans).

4. All the facts alleged in the Representation Order Motion are true.

Personal and Work Background

5. I am currently 70 years old. I was born in Victoria, B.C. My father was a member of the Canadian Air Force (he was a bomber pilot during WWII) and as a child I moved homes with my family to various locations in Canada including Calgary, AB; Downsview, ON; Gander, NL; and St. Bruno, QC. In 1963-64, I studied engineering at George Williams University (now Concordia) in Montreal.

6. On June 1, 1964, I started working with Wabush Mines at the 1010 Dominion Square building in Montreal. This was a summer job and I was a clerk in the Accounting Department, construction management. I remained employed at Wabush Mines for the next 37 years (36 years, 11 months).

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7. In September, 1964, Wabush Mines closed its Montreal office and moved its offices to Pointe Noire, QC. I moved with the company and settled in nearby Sept-Iles. I changed job positions and worked as a buyer in the Purchasing Department (e.g. buying electrical equipment).
8. In 1973, I was promoted to Purchasing Agent and, subsequently, Assistant, Supervisor Material Management, all in the Purchasing Department.
9. In 1979, Wabush Mines transferred its Purchasing Department to a new office in Westmount. I moved back to Montreal with the company and became Supervisor Material Management, responsible for Purchasing and Warehousing.
10. In 1986, Wabush Mines transferred its Materials Department back to Pointe Noire and I moved again with the company. I remained employed at the Pointe Noire location for the next 15 years. In the early 1990s, my job title was changed to Area Manager, Materials.
11. On January 9, 2001, I informed the company that I wished to retire. Attached as **Exhibit "A"** is a copy of my resignation memo.
12. On May 1, 2001, age 56, I retired with Wabush Mines, from the position Area Manager, Materials. I moved to Brockville, Ontario, where I currently live. As I was 19 years old in 1964 when I started working for Wabush Mines. on retirement, I had 36 years and 11 months of service with the company.

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Contract, Salary, Pensions and Benefits

13. In consideration for my 37 years of service with the company, I had a contract of employment in which Wabush Mines paid and I earned wages and a salary, other employment benefits such as health benefits (payable during employment and after my retirement), and a pension. Attached as **Exhibit "B"** is a copy of correspondence from the company dated April 26, 2001 that identifies my entitlements upon retirement.

14. I earned the following vested benefits as a result of my service with the company:

- (a) **Pension Benefits.** I am a pensioner member of the Contributory Defined Benefit Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (Nfld & Lab. Reg. No. 0021314, CRA Reg. No. 0343558) (the "**Salaried Plan**"). As part of my employment, I was required to contribute my own wages to the pension plan, which supplemented the company's contributions. Attached as **Exhibit "C"** is a copy of a company letter January 31, 2001 with attached executed copies of my Application for Retirement and Election of Optional Pension (redacted for privacy). Since May 1, 2001, I have received and am receiving a monthly pension from the Salaried Plan in accordance with my election. Attached as **Exhibit "D"** is a copy of a recent pension confirmation statement from CIBC Mellon, the custodial trustee over the assets of the Salaried Plan pension fund, confirming my receipt of the pension payment owing on February 1, 2015 (redacted for privacy); and

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- (b) **Health Benefits.** I am entitled to various post retirement health benefits including Major Medical Benefits, Life Insurance, Hospital Expense Insurance and Travel Insurance. The company is obliged to contribute the cost of the premiums necessary to maintain these benefits, "for as long as you live" (see e.g. Exhibit "B").

Notice of CCAA Proceedings

15. Following my retirement, between 2001 and 2015, I had little communications with the company, other than occasionally being in contact for administrative matters (e.g. a change in my beneficiary designation).

16. To my surprise, in early June, 2015 I received two letters in the mail from Wabush Mines where the company said it was under CCAA protection and that it planned to seek court orders that are highly adverse to me and my livelihood and impact my earned pension and benefits that are payable to me:

- (a) Letter dated May 27, 2015 (attached hereto as **Exhibit "E"**), notifying me that the company commenced CCAA proceedings. This letter says me that "a decision was made to suspend payments in respect of the post retirement employee benefits effective June 1, 2015. Therefore, all your insurance coverage (*Life ... and Medical*) will end on May 31, 2015. We realize that this is short notice of a significant change ...". I am advised that many other retirees received a similar letter that was dated May 21, 2015 in which the company notified of its intention to cease and suspend Health Benefits; and

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(b) Letter dated May 29 2015 (the “**May 29 Letter**”) (attached hereto as **Exhibit “F”**). The letter states that the company is seeking the approval of this Court of their motion entitled “*Motion granting priority to certain CCAA charges, approving a sales and investor solicitation process, authorizing the engagement of a sale advisor, amending the sale and investor solicitation process, suspending the payment of certain pension amortization payments and post-retirement employee benefits, extending the stay of proceeding, and amending the Wabush Initial Order*” (the “**Motion to Suspend Benefits and Rearrange Priorities**”) – filed on the same day as the May 29 Letter – in which the company seeks to:

- (i) suspend payments respecting:
 - (1) the Salaried Plan and another company registered pension plan (the hourly bargaining plan) (together, the “**Pension Plans**”) during the CCAA proceedings in respect of payments intended to fund the current deficiencies in the Pension Plans plus catch-up and pension amortization payments owing to both Pension Plans; and
 - (2) other post-retirement benefits, which I understand to be the same benefits described in the May 27 letter (i.e. the Health Benefits) that the company was proposing to suspend and cease effective May 31; and
- (ii) authorize that the DIP Interim Financing of \$10 million and Priority Charges of \$15 million be permitted to “rank in priority to all ... trusts, deemed trusts (statutory or otherwise) ... including any deemed trust

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created under the *Pension Benefits Act, 1997* (Newfoundland and Labrador)”).

17. In addition, the May 29 Letter says that the company is in a conflict of interest in its dual-role as both employer *and* administrator of the Pension Plans and Benefit Plans (the “**Conflict of Interest**”):

For the time being, Wabush Group will continue to act in both capacities during the CCAA Proceedings. Conflicts can arise between employer and administrator responsibilities. The purpose of this Notice is to advise you of these potential conflicts. **We encourage you to obtain legal and/or financial advise so that you can better understand any potential impact of the CCAA Proceedings and upcoming Court hearing on your legal rights.** (emphasis in original).

Formation of Committee, Retention of Legal Counsel and Notice of Objection

18. On June 5, 2015, I and three other affected former salaried employees who are on a voluntary committee that we have formed, called the (the “**Salaried Steering Committee**”), contacted and ultimately retained Koskie Minsky LLP to represent us in this CCAA Proceedings. Mr. Andrew Hatnay of Koskie Minsky LLP immediately registered an objection on our behalf with the CCAA Monitor.

19. On June 8, 2015, our counsel filed our Notice of Objection to the Motion to Suspend Benefits, which has been accepted by the Monitor and CCAA Parties.

20. It is my understanding that there is no representation of the salaried/non-union employees and retirees before the CCAA court, despite that this group is comprised of approximately 1000 individuals who are very significantly impacted by the CCAA proceedings. In particular, we are

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significantly and adversely impacted by the intention of the company to cease contributions to the Pension Plans and cease and suspend payment of other important benefits payable to retirees.

21. On June 9, 2015, our counsel Mr. Ari Kaplan of Koskie Minsky LLP and Mr. Nicholas Scheib of Étude Légale Scheib appeared before the CCAA Judge and were authorized to serve and file the within Representation Order Motion by June 15, 2015, to be heard by the court on June 22, 2015.

Representation Order Motion and Proposed Representatives

22. In the Representation Order Motion, we ask the Court to appoint me and three other members of the Salaried Steering Committee as representatives of all salaried/non-union and retired employees affected by these CCAA proceedings (i.e. the Salaried Members).

23. The company's Motion to Suspend Benefits directly and detrimentally impacts my and other Salaried Members' vested benefits and entitlements. The proposed suspensions, if permitted by this court, will directly and immediately cause losses to Salaried Members, and will worsen the underfunding in the Pension Plans. These actions cause immediate and substantial hardship for affected Salaried Members and the Salaried Steering Committee opposes these Motions.

24. As noted above, there are likely around 1000 Salaried Members affected by these CCAA Proceedings. I have received a copy of the most recent Actuarial Valuation Report on the Salaried Plan as at January 1, 2014 (attached hereto as Exhibit "G"), which discloses the breakdown of the Salaried Plan totaling 941 Salaried Members as of that date, as follows:

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- (a) 447 active and disabled employees in the Salaried Plan located predominantly in Newfoundland and Labrador, and Quebec:
 - (i) 188 members with defined benefits; and
 - (ii) 259 members with defined contribution benefits;
- (b) 324 retired members and beneficiaries in payment of a monthly pension, located across Canada and elsewhere; and
- (c) 170 transferred and terminated vested members, located across Canada and elsewhere.

25. Since receiving the letters from Wabush Mines described above, I and the other members of the Salaried Steering Committee have contacted other Salaried Members and are in the process of organizing ourselves according to our common interests in these proceedings, in which we are significant stakeholders. As of June 15, 2015, the Salaried Steering Committee has the support of almost 100 affected Salaried Members and this number is growing steadily. The Steering Committee continues its efforts to locate and communicate with affected Salaried Members.

26. I have spoken to the other Proposed Representatives and they agree to step forward and be appointed by this court as representatives of affected Salaried Members. I believe that all of us are qualified to be such representatives:

- (a) Petitioner Terence W. Watt:
 - (i) Watt resides at 6 Willow Street Suite 1001, Waterloo, ON N2J 4S3;

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- (ii) Watt is a Salaried retiree of Wabush Mines where he worked for 30 years at the Scully Mine location in Labrador as Mine Superintendent. He started in April, 1969, working in Plant Engineering, responsible for housing construction for the Wabush townsite. He served as Mine Superintendent for 15 years of those 30 years. In his latter four years of employment he was Technical Assistant to the Resident Manager, Sully Mine. Watt retired from Wabush Mines on April 30, 1999;
 - (iii) Watt is a retired member of the Salaried Plan and has earned an entitlement to retiree Health Benefits;
 - (iv) In consequence of the foregoing, Watt is a qualified proposed representative.
- (b) Petitioner Damien Lebel:
- (i) Lebel resides at 14 rue de Pégase, Bonsecours, Quebec;
 - (ii) Lebel is a Salaried retiree of Wabush Mines where he worked for 35 years in Pointe Noire. Lebel retired on June 30, 2004 at which time he held the position General Manager;
 - (iii) Lebel is a retired member of the Salaried Plan, has earned an entitlement to retiree Health Benefits, and has earned an entitlement to Supplemental Retirement Benefits (which is one of the plans being terminated as stated in the May 29 Letter);

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- (iv) In consequence of the foregoing, Lebel is a qualified proposed representative.

- (c) Petitioner Neil Johnson:
 - (i) Johnson resides at 72 Whiteway Drive, Wabush, Labrador A0R 1B0;

 - (ii) Johnson is a Salaried retiree of Wabush Mines where he worked for 32 years at Scully Mine. Johnson commenced employment as a millwright, and was subsequently made superintendent. Johnson retired on September 1, 1997 at which time he held the position Assistant Manager and Resident Manager;

 - (iii) Johnson is a retired member of the Salaried Plan, has earned an entitlement to retiree Health Benefits and also has earned an entitlement to Supplemental Retirement Benefits.

 - (iv) In consequence of the foregoing, Johnson is a qualified proposed representative.

Need for Salaried Member Representation and Representative Counsel

27. The Salaried Members are a significant and vulnerable stakeholder group in these CCAA Proceedings and they require representation. This group is not yet represented in the proceeding as an organized group and we are exposed to significant losses to our pension and health benefits. Salaried Members have earned entitlements to retiree with pensions and benefits under the Pension Plans and Benefits Plans respectively including monthly pension benefits, retiree

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health and life insurance benefits, and certain retirees are also entitled to the payment of monthly supplementary pension benefits.

28. In particular,

- (a) **Salaried Plan.** The suspension of the Pension Plan payments will very likely cause significant financial hardship to the Retirees. The Pension Plans are already underfunded by the company. By ceasing or suspending payments, the deficits will grow thereby further putting the security of pensions for all the plan members at risk or even reduction. The Wabush CCAA Parties are required to pay monthly amortization payments based on the 2014 Valuation of \$393,337.00 (Hourly DB Plan) and \$273,218.58 (Salaried DB Plan) for a total monthly amortization payment of \$666,555.58 (the "**Monthly Amortization Payments**"). In addition to the Monthly Amortization Payments, the Wabush CCAA Parties are also required to pay a lump sum "catch-up" amortization payment (the "**Yearly Catch Up Amortization Payment**") for the DB Plans estimated to be approximately \$5.5 Million due in July 2015. I and other Retirees are elderly and on fixed incomes. If the plans are wound up in an underfunded state it will result in significant pension benefit reductions to the monthly pension benefits payable to plan members. The Pension Plans are registered in Newfoundland and Labrador, which does not have any fund to supplement deficits in an underfunded, wound-up pension plan (in contrast to Ontario, which has the Pension Benefits Guarantee Fund that pays an amount to partially offset pension benefit losses);

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- (b) **Health Benefits (including Life Insurance).** The Wabush CCAA Parties provide life insurance and health care benefits, to former hourly and salaried employees hired before January 1, 2013, which vary based on whether retirees were formerly members of a bargaining unit or were non-unionized salaried employees. Approximately 933 retired employees and 16 active employees are currently fully eligible for retirement benefits. The premiums required to fund the foregoing Benefits are approximately \$182,000 a month. The suspension of the above premiums will cause the group insurance plan to be terminated by the group insurer, thus effectively terminating our health benefit and life insurance coverage which will certainly cause significant financial hardship to me and other Salaried Members. We are elderly and not eligible for replacement post-retirement benefits.; and
- (c) **Supplemental Retirement Arrangement (SRA).** There is also a supplemental retirement arrangement plan for certain current and former salaried employees of Wabush Mines JV (including Proposed Representatives Messrs. Lebel and Johnson). The company states that “the obligations under the SRA are approximately \$1.01 million.” but there is no explanation of the amount of the monthly payment required the company for these pension benefits. The termination of the monthly SRA payments will cause immediate and significant hardship to the affected retirees, not least of which because they are elderly and have organized their financial affairs in expectation of funding their old age.

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29. There is no other group or stakeholder present at the CCAA Proceedings that can adequately represent Salaried Members:

- (a) There is a trade union, the United Steelworkers, who represent active unionized employees. This union does not represent retired members, and the active union employees are in a different Pension Plan than Salaried Members and as such have different interests;
- (b) There is the Superintendent of Pensions, Financial Services Regulation Division, Government of Newfoundland and Labrador. The Superintendent does not represent stakeholders in the Pension Plans, rather, his mandate is to regulate and administer the *Pension Benefits Act, 1997*. Moreover, his mandate does not extend to Health Benefits or other Benefit Plans; and
- (c) There is the federal Superintendent of Financial Institutions ("OSFI"), and I understand that this office jointly regulates the company's hourly/bargaining pension plan with the Superintendent of Newfoundland and Labrador. However, this regulator has no jurisdiction over the Salaried Plan.

The Company is in a Conflict of Interest

30. Further, the company in its capacity as the pension administrator of the Salaried Plan cannot represent the interests of Salaried Members. It has notified us (in the May 29 Letter) that it has a Conflict of Interest in respect of its role as both employer and the Pension Plans administrator. This causes me serious concern, not least of which because the Court has authorized a D&O charge to protect company directors. In other words, a portion of the Wabush

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CCAA Parties' assets – that should be used to pay the Pension Plans' deficits and pay for other legitimate claims of stakeholders – are already earmarked to pay to protect and indemnify directors from the fallout of their post-filing, on-going decisions to refuse to resign as the Pension Plans administrator despite their admitted Conflict of Interest. In effect, the company assets are already destined to pay for the fall-out from this decision, via indemnifications.

31. I believe that the appointment and presence of representative counsel for Salaried Members would serve to resolve the Conflict of Interest. By having representative counsel in place from the outset of these proceedings, the Salaried Members' rights and legitimate interests will be represented in these proceedings and all claims arising from such rights and interests will be properly presented in a streamlined, coherent manner, without an issue of conflict of interest.

32. Absent such an appointment, there is a very good chance that the company assets charged with the D&O Charge, will be called upon to pay D&O claims to be filed in due course arising from the D&Os' post-filing acts including breaches of fiduciary owed to the Salaried Members as Pension Plans administrators. In short, it would not be fair to permit the Pension Plans to independently protect the rights and interests of their members.

33. The most significant Conflict of Interest is that the directors have authorized the Wabush CCAA Parties to seek approval of this Court of its DIP Financing arrangement and Priority Charge. A key condition for providing such financing appears to be the suspension of benefits under the Pension Plans and Benefit Plans, which is prejudicial to all Salaried Members and contrary to the company's fiduciary and statutory obligations as administrators of such Pension Plans.

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34. To give but a few other examples of the company's failures as administrator of the Pension Plans that are illustrative of its Conflict of Interest, it has come to my attention that the company has made multiple amendments to, and plan restatements of, the Salaried Plan. However, it has not filed any of these amendments or restatements with the Superintendent *since 1997*, contrary to its statutory and fiduciary obligations under the *Pension Benefits Act, 1997*. Attached as Exhibit "H" is the only Salaried Plan text filed with the Superintendent, as at January 1, 1997.

35. In addition, attached as Exhibit "I" is a copy of the most recently filed Annual Information Return (AIR) on the Salaried Plan as at December 31, 2013. This AIR identifies all members of the Salaried Plan as working in federal "included employment". However, it is my understanding that this is an error and that no employees under the Salaried Plan are in fact federally regulated. This confusion by the Salaried Plan administrator causes me concern.

36. By appointing representative counsel, this Court can ensure that the rights of Salaried Members are protected and their issue brought before the Court in the most time efficient and cost-effective way possible.

Qualification of Representative Counsel

37. Koskie Minsky LLP, the proposed representative counsel ("Representative Counsel") is a suitable Representative of the Salaried Members. Koskie Minsky LLP will be working with Nicholas Scheib, a member of the Quebec bar who has been practicing law in Montreal since 2003 with a focus on insolvency and restructuring matters. This will ensure an efficient representation at all proceedings.

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38. Representative Counsel have first-hand knowledge of the issues that may be faced in these CCAA Proceedings. Koskie Minsky LLP have been appointed by courts across Canada as representative counsel to numerous employee groups in large CCAA restructurings, including *Ivaco* (representing the Quebec Pension Committee), *Smurfit Stone* (representing many Quebec retirees), the 2004 *Stelco* CCAA Proceeding, *Air Canada*, *Nortel Networks*, *Hollinger Canadian Publishing Holdings*, *Domgroup Ltd.*, *Catalyst Paper* (British Columbia), *Eaton's*, among others.

39. The appointment of Representative Counsel will have numerous advantages to both the Wabush salaried/non-union employees and retirees and the CCAA proceeding as a whole. The role of Representative Counsel will include:

- (i) securing information from the company or Monitor with respect to the current cash flow of the company, the amount of underfunding of the Pension Plans, the latest actuarial reports, and the company's intentions while under CCAA, in particular whether it intends to restructure and continue in some form or liquidate its assets and distribute the assets in a claims process;
- (ii) informing Salaried Members, both as a whole and with regard to each person's particular situation, of their rights and of the progression of the CCAA Proceeding including anticipated sale transactions pursuant to the SISF;
- (iii) advising Salaried Members with respect to the CCAA Parties' sale transactions pursuant to the SISF and on matters related to any plan of

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compromise or arrangement that may be put forward by the CCAA Parties;

- (iv) representing the interests of Salaried Members for the purpose of all decisions which might affect their rights in the course of these CCAA Proceedings and, if necessary, bring to the Court's attention any matters to be dealt with affecting their interests; and
- (v) contributing to overall costs savings and a streamlining of the CCAA process by being the single point of contact for Salaried Members, and as such provide consistent representation for a variety of employee and retiree entitlements and claims in the CCAA proceeding.

40. Moreover, Representative Counsel will be able to assist the Salaried Members in evaluating their claims as required. Salaried Member claims will be valued based on actuarial assumptions and methodologies and it is likely they will require the assistance of actuarial and/or benefit experts to confirm these calculations. Most individual Salaried Members likely do not have the means to obtain such expert advice in a cost-efficient and timely manner.

41. The requested Representation Order contemplates a notice and opt-out process to allow any Salaried Member to not be represented by the Representatives or Representative Counsel in the event they do not wish to be so represented.

Costs and Funding

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42. As a consequence of the CCAA proceeding, the Proposed Representatives require and seek costs and funding of their reasonable legal costs from the Wabush CCAA Parties in connection with the Representation Order, pursuant to s. 11.52(1)(c) of the CCAA.

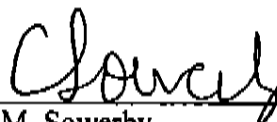
43. Moreover, the presence of representation and funding for the Salaried Members will ensure that their rights and legitimate interests in respect of the Pension Plans and the Benefit Plans are advanced throughout these proceedings, thereby helping to mitigate any ongoing adverse effects borne of the Conflict of Interest. Appointing representative counsel will ensure that the harm that may have already have occurred due to the Conflict of Interest will be contained and prevented going forward.

AND I HAVE SIGNED:



MICHAEL KEEPER

SOLEMNLY AFFIRMED before me in Kingston,
the Province of Ontario, this 15th day of June 2015.



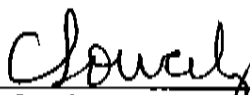
Carolyn M. Sowerby

BARRISTER AND SOLICITOR
295 Queen Street
Kingston, Ontario K7K 1B7

THIS IS EXHIBIT "A" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby
Barrister and Solicitor
295 Queen Street
Kingston, ON K7K 1B7

INTEROFFICE-COMMUNICATION Date: January 09, 2001

To: D. Lebel

From: M.E. Keeper

Location: Pointe Noire

Location: Pointe Noire

Subject: Notice of Retirement--M. E. Keeper.

Please be advised that I wish to retire from Wabush Mines effective May 01, 2001. These many years of service (36 years 11 months of service as of April 30, 2001) have been both enjoyable and a challenge. I would like to take this opportunity to thank you for your support.

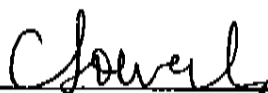
M. E. Keeper
Area Manager, Materials

Copy to: G. P. Kohanski

THIS IS EXHIBIT "B" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby

Barrister and Solicitor
295 Queen Street
Kingston, ON K7K 1B7



Wabush Mines

Cliffs Mining Company, Managing Agent

April 26, 2001

Mr. Michael E. Keeper
3 Sherman Lane
Brockville, Ont
K6V 7M1

Dear Mike:

We are pleased to inform you that your application for an "Early Retirement (30 Years)" under Wabush Mines Pension Plans has been approved. The first instalment of your monthly pension shall be payable retroactive to May 1, 2001.

Under the terms of the Pension Plan and in accordance with the optional form of pension you elected - Normal Form of Pension - you are entitled to a Basic Monthly Pension estimated at \$[REDACTED] from the Pension Plan for Salaried Employees.

In addition, you will receive a *Supplementary Pension* estimated at \$996 per month until the earlier of age 65 or when you become entitled to an unreduced statutory benefit (i.e., C/QPP Disability Pension) prior to age 65.

Any mathematical errors made in the computation of your pension or errors of interpretation made in the preparation of any documents pertaining to your pension shall be corrected to conform to the provisions of the Pension Plan and/or Group Insurance Benefits Program.

You will receive your monthly pension payments from the Royal Trust, our Trustee. It is the practice of the trustee to make payments on the first of each month. As per your instruction, your pension payments will be deposited at the CIBC in Brockville where you have an account. If difficulties are experienced with pension payments, please inform us and we will verify the matter.

GROUP INSURANCE COVERAGE

This section outlines the retiree benefits that Wabush Mines is pleased to provide to retired employees. The Company may revise the retiree benefit program and reserves the right to make changes on reasonable notice to retirees.

Your Basic Life Insurance is maintained in the amount of \$[REDACTED] for life without any cost to you. The named beneficiary is your Estate.

Your Hospital Expense Insurance and Major Medical Expense Insurance are maintained for you and eligible

dependants for as long as you live.

All other insurance coverage are cancelled on April 30, 2001.

You may convert into a private life insurance the amount by which your Basic Life Insurance was reduced (\$[REDACTED]). Enclosed you will find two forms which will help you with this conversion process, namely:

- Group Life Insurance Conversion Notice; and
- Application for Conversion of Group Life Insurance

If this conversion interests you, please contact a Clarica Life Insurance agent in your area.

GOVERNMENTAL PLANS

We wish to remind you that following amendments to the "C/QPP", it is possible to receive a retirement pension as early as age 60 if the applicant is considered as having "substantially" ceased working if under 65 years of age. The pension payable is then reduced by 0.5% for each month (6% per year) preceding the 65th birthday. This amount, together with the yearly indexation, will be paid for the rest of the retiree's life.

As for "Old Age Security", it is payable from age 65 only and such request should be filed about six months prior to reaching age 65.

We hope that the above information will be helpful and we sincerely hope that you will enjoy your life of retirement and extend our best wishes for your future happiness.

Yours very truly,



Rock M. Garant
Supervisor - Employee Benefits
(418) 964-3010

Summary

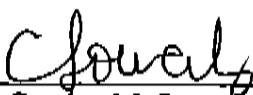
Total estimated monthly pension (*Basic and Supplementary* as the case may be) payable according to the "Option" chosen:

<u>Option chosen</u>	<u>Paid to you</u>	
	<u>Date</u>	<u>Date</u>
<u>Normal Form of Pension</u>	<u>2001-05-01</u>	<u>2009-09-01</u>
	\$[REDACTED]	\$[REDACTED]

THIS IS EXHIBIT "C" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby
Barrister and Solicitor
295 Queen Street
Kingston, ON K7K 1B7



Wabush Mines

Cliffs Mining Company, Managing Agent

January 31, 2001

Mr. Michael Keeper
908 Place Lafayette
Sept-Îles,, Qc
G4R 4J7

Dear Michael:

In supplement to our letter dated December 8, 2000, enclosed you will find the following forms for you to fill and return to the undersigned:

- Application for Retirement
- Election of Optional Pensions

Trusting the foregoing to be satisfactory.

Rock M. Garant
Supervisor – Employee Benefits
(418) 964-3010

ELECTION OF OPTIONAL PENSIONS

WABUSH MINES - Cleveland Cliffs Inc, Managing Agent
Contributory Pension Plan for Salaried Non-Bargaining Unit Employees of Wabush Mines, et al.

Name: KEEPER, Michael Empl. Number: 20139 S.I.N.: [REDACTED]
Company: Wabush Mines Division: Pointe-Noire Birth Date: 1944-08-29

The options available are:

1. Mandatory Joint & Survivor Pension, 60%

This option has the effect of reducing a pensioner's Standard Pension, with the result that after the pensioner's death, a monthly pension of 60% of such reduced pension will be paid to the pensioner's spouse for his or her lifetime. This option goes into effect on the pensioner's Pension Commencement Date. Aside from the benefit provided by this option, there is no other "Surviving Spouse's Benefit" payable in case of the death of the pensioner.

The "Mandatory Joint & Survivor Pension, 60%" must be revoked if a pensioner, who has a spouse at time of retirement, wishes to choose another optional form of pension. This "Mandatory J&S Pension, 60%" may be waived by filling a waiver.

Important Note: Pursuant to Section 45 of the Newfoundland Pension Benefits Act, a waiver must be signed by the spouse and the Member.

2. Normal Form of Pension

A Normal Form of Pension is an unreduced pension paid to the pensioner for life. The final payment is in the month of the pensioner's death. With this form of pension, no pension payments are made to a Surviving Spouse. However, if no optional form of pension is chosen at time of retirement and the Member dies before age 65, the surviving spouse will be eligible for a "Surviving Spouse's Benefit" if the eligibility requirements are met.

3. Optional Joint & Survivor Pension

This option has the effect of reducing a pensioner's Standard Pension for life with: 100%, 60% or 50% (depending upon which option chosen) of such reduced pension continuing to the pensioner's spouse after the pensioner's death. The amount of the reduction is based on the pensioner's age and the age of the spouse.

This election of an Optional Joint & Survivor Pension goes into effect on the pensioner's Pension Commencement Date. Aside from the benefit provided by this option, there is no other "Surviving Spouse's Benefit" payable in case of the death of the pensioner.

4. Guaranteed Pension Options - 60, 120 or 180 payments

With this option, a pensioner receives a reduced pension for life. The number of payments is guaranteed, depending upon which option is chosen, so that if the pensioner dies before having received 60, 120 or 180 payments, the balance of the payments is made to the pensioner's named beneficiary or estate.

Election of Option

	Accepted	Waived (attach "waiver")	I do not have a spouse
1- Mandatory Joint & Survivor Spouse Option, 60%:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spouse's Name: _____	Birth Date: _____	Married On: _____	S.I.N.: _____
2- Normal Form of Pension	<input checked="" type="checkbox"/>		
3- Joint & Survivor Option	100% <input type="checkbox"/>	50% <input type="checkbox"/>	
4- Guaranteed Pension Option	60 Payments <input type="checkbox"/>	120 Payments <input type="checkbox"/>	180 Payments <input type="checkbox"/>

If you have elected a "Optional Joint & Survivor Pension" please indicate your spouse's name, birth date, S.I.N. and address; if you have elected a "Guaranteed Pension Option", please indicate the same data regarding your beneficiary.


Name: _____ Birth Date: _____ S.I.N.: _____
Relationship: _____ Address: _____

No change in, or cancellation of this election may be made except as provided for under the pension plan and the amount of pension to which you or your spouse may be entitled are governed by the terms and conditions of such plan.

You are hereby notified that in the event that you continue to work beyond your Normal Retirement Date, in order to preserve the above option election you must elect on your Normal Retirement Date that the above election is to be effective upon retirement or upon death before retirement. Such election to be made on a form prescribed by your Employer.

Witness signature:  Employee's signature: Michael Elap Date: FCB 02/01

FOR COMPANY USE ONLY

Received by: Rock M. Garant  Supvr - Employee Benefits Date: 2001-02-02

APPLICATION FOR RETIREMENT

WABUSH MINES - Cleveland Cliffs Inc, Managing Agent

Contributory Pension Plan for Salaried Non-Bargaining Employees of Wabush Mines, et al.; and
Pension Plan for Bargaining Employees of Wabush Mines, et al.I, **Michael KEEPER** -- 20139, hereby make application to Wabush Mines, Pointe-Noire, for retirement under the Company's Pension Plans effective April 30th, 2001.

I understand that this constitutes my application for pension in accordance with the current provisions of the above mentioned Pension Plans of the Company and I certify that the information shown in this application is correct to the best of my knowledge and belief and I recognize that it will serve as the basis to calculate such pension. I understand that any pension granted to me under the above mentioned Pension Plans is subject to all of the provisions of such Plans as from time to time amended.

I acknowledge that the provisions and implications of the optional forms of pension have been explained to my satisfaction. My choice of an option mode of pension is as indicated on the enclosed "Election of Optional Pensions" form.

If this is an application for a "(55/15) Early Retirement Pension", I elect to receive:

 an immediate reduced pension; or
 a deferred pension.

Are you currently receiving an unreduced Statutory Benefit other than Worker's Compensation benefits such as a Disability Pension from CPP?

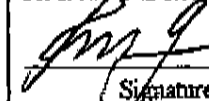
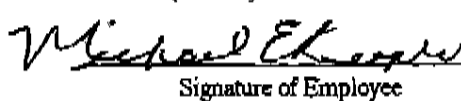
 Yes No

If "Yes" please specify: _____

In the event of your future eligibility to such unreduced Statutory Benefit prior to age 65, you must inform Wabush Mines immediately.

A- Personal DataBirth Date: 1944-08-29
Hire Date: 1964-06-01
Last Day Worked: 2001-04-30
Termination Date: 2001-04-30
Retirement Date: 2001-04-30**B- Pre-Pension Spouse Coverage (PPSC)**

This coverage automatically terminates at retirement date latest.

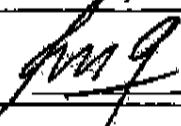
1. Effective Date of Termination: Not Applicable
2. Effective Date of Period of Coverage: Option declined
3. Total Years of Coverage: 0.00
(Current and Prior Period, as the case may be)
4. Cost (Monthly Reduction of Your Pension): \$0.00
Signature of Witness
Signature of Employee

Date: Feb 2/01

Proof of your age must be submitted with this application. If possible one of the following, in order of preference:

- | | |
|---|---|
| 1. Birth Certificate from government agency | 3. School Records |
| 2. Certificate of Baptism | 4. Immigration and Naturalization Records |

These documents will be returned to you.

Application received by: 

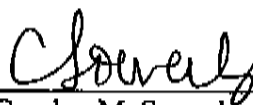
Date: 2001-02-02

Note: This application form must be forwarded promptly to the Supervisor - Employee Benefits.

THIS IS EXHIBIT "D" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby

Barrister and Solicitor

295 Queen Street

Kingston, ON K7K 1B7


CIBC MELLON

P.O. BOX 5858, STATION B, LONDON, ON N6A 6H2
 ENGLISH 1-800-565-0479, FRENCH 1-800-268-1629
 USA 1-800-263-4497, INTERNATIONAL 1-519-873-2218
 WWW.CIBCMELLON.COM

MICHAEL E KEEPER
 1049 FITZSIMMONS DR
 BROCKVILLE ON
 K6V 0A1

13434

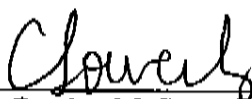
WHM01M21281XXXX			PENSION PLAN SALARIED EMPLOYEES OF WABUSH MINES			FEBRUARY 1, 2015		
TYPE	AMOUNT	YEAR-TO-DATE	TYPE	AMOUNT	YEAR-TO-DATE	TYPE	AMOUNT	YEAR-TO-DATE
BASE PEN	\$	\$	FEDL TAX	1,008.40	2,027.06			
TOTAL:	\$	\$	TOTAL:	\$1,008.40	\$2,027.06	YEAR-TO-DATE NET	\$	
						CURRENT NET	\$	
<p>YOU MAY NOTICE A CHANGE TO YOUR NET PAYMENT DUE TO FEDERAL AND/OR PROVINCIAL TAX CHANGES. FOR FURTHER DETAILS CONTACT YOUR LOCAL TAXATION OFFICE OR VISIT WWW.CRA-ARC.GC.CA</p>								
<p>PLEASE NOTE WE HAVE MADE A CHANGE TO YOUR TAX EXEMPTION AMOUNT AND FEDERAL TAX AMOUNT.</p>								

PAYMENT CONFIRMATION
NON NEGOTIABLE

THIS IS EXHIBIT "E" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby

Barrister and Solicitor

295 Queen Street

Kingston, ON K7K 1B7

TURRY'S
LC-116A
DATE
MAY 21 16

Mines Wabush
1505 Chemin Pointe-Noire, C.P. 878
Sept-Îles (Québec) G4R 4L4

May 27, 2015

Mr. Michael Keeper
1049 Fitzsimmons Drive
Brockville, ON
K6V 0A1

Subject: Wabush Mines files for protection under the CCAA

On May 20, 2015, Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines Joint Venture ("Wabush Mines JV"), Arnaud Railway Company and Wabush Lake Railway Company Limited, (collectively, "Wabush Group") commenced restructuring proceedings in Montreal, Quebec, under the Companies' Creditors Arrangement Act (Canada) (the "CCAA"). The order issued by the Court commencing the proceedings extended the CCAA protection granted to the Bloom Lake CCAA Parties to include the Wabush Group. The CCAA proceedings will allow the Wabush Group to continue its restructuring and sales process in an orderly manner. As part of the CCAA proceedings, FTI Consulting Canada Inc. was appointed the monitor (the "Monitor"). The role of the Monitor is to monitor the business and activities of the Company during the CCAA proceedings and to assist the various stakeholders.

Although this was a very difficult decision, management determined this step was necessary to implement the restructuring and sale of the Wabush Group's business and to complete our exit from the Canadian iron ore operations in an orderly and responsible manner.

At this time there will be no impact on your pension.

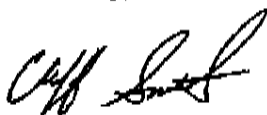
Unfortunately as a result of the severe liquidity constraints that the Wabush Group is currently facing, a decision was made to suspend payments in respect of the post retirement employee benefits effective June 1st, 2015. Therefore, all your insurance coverage (*Life: \$ 47,000 and Medical*) will end on May 31st, 2015. We realize that this is short notice of a significant change but this decision was made after careful consideration of the Wabush Group's ability to make such payments.

You may convert your Group Life insurance into an individual policy without having to answer health questions. You will be responsible for paying the premiums. Wabush Mines has no control over the cost of such coverage. **You have until June 30, 2015 to avail of such a conversion privilege.** In order to do so, you must contact Sun Life at 1-877-893-9893.

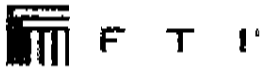
Note that you have until August 31st, 2015 to submit to Sun Life claims for expenses incurred before June 1st, 2015.

The Monitor maintains a website which includes information and updates with respect to the Wabush CCAA proceedings. The Monitor's website can be found at <http://cfcanada.fticonsulting.com/bloomlake>. Additional information can be obtained by contacting the Monitor at 416-649-8074 or toll free at 1-844-846-7135 after May 20, 2015 or by email at wabush@fticonsulting.com.

Sincerely,



Clifford Smith
President, Cliffs Quebec



FTI Consulting
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K 1G8
Main 416.649.8100
Fax 416.649.8101
fticonsulting.com

To: All creditors

**Re: Wabush Iron Co. Limited; Wabush Resources Inc.; Arnaud Railway Company;
Wabush Lake Railway Company, Limited; and Wabush Mines (collectively, "Wabush")**

On May 20, 2015, Wabush sought and obtained an initial order (the "Initial Order") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order provides, among other things, a stay of proceedings until June 19, 2015 (the "Stay Period"), which may be extended by the Court from time to time. FTI Consulting Canada Inc. was appointed as monitor (the "Monitor"). A copy of the Initial Order and other materials filed in the CCAA proceedings may be obtained at <http://cfcanada.fticonsulting.com/bloomlake> or upon request to the Monitor by calling 416-649-8074, or toll free at 1-844-846-7135, or by emailing wabush@fticonsulting.com.

Pursuant to the Initial Order, all persons having oral or written agreements with Wabush or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Wabush, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid in accordance with normal payment practices of Wabush or such other practices as may be agreed upon by the supplier or service provider and Wabush and the Monitor, or as may be ordered by this Court. As a result of the CCAA filing, Wabush is unable to make payment of amounts relating to the supply of goods and services prior to May 20, 2015, other than certain payments specified in the Initial Order.

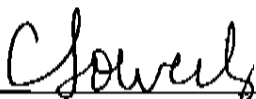
To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time.

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/bloomlake>, or make your request by calling the Monitor at 416-649-8074, or toll free at 1-844-846-7135, or by email at wabush@fticonsulting.com.

THIS IS EXHIBIT "F" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby

Barrister and Solicitor
295 Queen Street
Kingston, ON K7K 1B7

Wabush Mines

Wabush Mines
1155 Robert-Bourassa Boul
(formerly Rue University)
Suite 508
Montréal, Quebec
H3B 3A7

Date: May 29, 2015

To: Defined Benefit (DB) Registered Pension Plans

Members and Beneficiaries of the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (CRA Registration No. 0343558)

Robert Roy, President, United Steelworkers, Local 6254;

Jason Penney, President, United Steelworkers, Local 6285; and

Robert Roy, President, United Steelworkers, Local 6880;

each on behalf of certain beneficiaries of the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent (CRA Registration No. 0555201)

Defined Contribution Retirement Arrangements

Participants in the Wabush Mines Registered Retirement Savings Plan (the "Group RRSP")

Supplemental Retirement Arrangements

Beneficiaries with entitlements under the Wabush Mines, Cliffs Mining Company, Managing Agent - Supplemental Retirement Arrangement (the "SERP")

cc: Michael Delaney, Superintendent of Pensions, Financial Services Regulation Division, Government of Newfoundland and Labrador

CIBC Mellon Trust Company, as trustee of the DB Registered Pension Plans

From: Wabush Mines

Subject: Notice of CCAA Proceedings

On January 27, 2015, Bloom Lake General Partner Limited and certain of its affiliates (collectively, the "Bloom Lake CCAA Parties") filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* ("CCAA"). The court-supervised restructuring proceedings under the CCAA, which were commenced in the Québec Superior Court, Commercial Division (the "Court"), are referred to in this Notice as the "CCAA Proceedings".

- 2 -

On May 20, 2015, Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines ("Wabush Mines JV"), Amax Railway Company and Wabush Lake Railway Company Limited (collectively, "Wabush Group" and together with the Bloom Lake CCAA Parties, the "CCAA Parties") commenced restructuring proceedings under the CCAA. The initial order issued by the Court on May 20, 2015 ("Initial Order") commenced CCAA proceedings for the Wabush Group and extended the CCAA protection granted by the Court to the Bloom Lake CCAA Parties to include the Wabush Group.

The Court appointed FTI Consulting Canada Inc. (the "Monitor") as the Monitor of the CCAA Parties, including the Wabush Group. The Monitor's role is to monitor the business and activities of the CCAA Parties during the CCAA Proceedings and to assist the CCAA Parties' various stakeholders in the CCAA Proceedings. The Monitor maintains a website which includes information and general updates with respect to the CCAA Proceedings. The Monitor's website can be found at <http://cicanada.fticonsulting.com/bloomlake>, (the "Website").

Wabush Group has responsibilities under various pension and retirement plan arrangements, which are described in further detail in Schedule "A" attached hereto (collectively, the "Plans"). You are receiving this Notice because Wabush Group's records indicate that you are a member or beneficiary under one or more Plans (a "Plan Beneficiary") or are a representative of certain Plan Beneficiaries.

We are writing to you at this time for the following reasons:

1. To provide you with notice of the CCAA Proceedings;
2. To advise you of the upcoming Court hearing scheduled for June 9, 2015, in Montréal; and
3. To advise you of the dual role played by Wabush Group in relation to some of the Plans, as explained in further detail below.

CCAA Proceedings and Initial Order Terms

In the Initial Order, Wabush Group sought and obtained permission from the Court to continue to make current service contributions in respect of the various Plans at this time.

The Monitor has posted on its Website a copy of the Initial Order and other Court documents which relate to the CCAA Proceeding. If you do not have access to the Website or would otherwise like to receive a hard copy of the Court materials, please contact the Monitor by e-mail (Wabush@fticonsulting.com) or telephone (Toll free phone number: 1-844-846-7135 | Local to Toronto: 416-649-8074).

Comeback Hearing and Interim Financing

The Court has scheduled a hearing in Montréal, Québec on June 9, 2015 to, among other things, determine whether a "charge" on the assets of Wabush Group to secure debtor-in-possession (DIP) or Interim financing ("Interim Financing") that may be advanced to fund Wabush Group operations during the CCAA Proceedings, and certain other "charges" (together, the "Priority Charges") will be given priority by the Court. The amount of the Interim Financing is USD \$10 million and amount of the priority "charge" sought for the Interim Financing is CDN\$15 million. The proposed Priority Charges would rank in priority to all hypothecs, mortgages, liens, security interests, priorities, trusts, deemed trusts (statutory or

- 3 -

otherwise), charges, encumbrances or security of whatever nature or kind, including any deemed trust created under the *Pension Benefits Act, 1997* (Newfoundland and Labrador) or any other applicable legislation.

Other relief sought from the Court at the hearing will include:

- suspension of payment by Wabush Group of any pension amortization payments in respect of the DB Registered Pension Plans, which are intended to fund the current deficiency in the DB Registered Pension Plans, during the CCAA Proceedings;
- suspension of catch-up pension amortization payments to the DB Registered Pension Plans during the CCAA Proceedings; and
- suspension of payment by the Wabush Group of other post-retirement benefits to former hourly and salaried employees of the Wabush Group including, without limitation, payments for life insurance premiums, health care benefits, and the SERP.

Wabush Group's Dual Role

Wabush Group acts as both "employer" and "administrator" (or performs administrator duties) in respect of the DB Registered Pension Plans and the Group RRSP. For the time being, Wabush Group will continue to act in both capacities during the CCAA Proceedings. Conflicts can arise between employer and administrator responsibilities. The purpose of this Notice is to advise you of these potential conflicts.

We encourage you to obtain legal and/or financial advice so that you can better understand any potential impact of the CCAA Proceedings and upcoming Court hearing on your legal rights.

Details Regarding the Comeback Hearing

The Court hearing to hear the Wabush Group's Motion will be heard at the Québec Superior Court, Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on June 9, 2015 at 9:15 a.m. (Montréal time), in a room to be determined. If you do not agree with the relief being sought at this Motion, the Wabush Initial Order requires you to file a notice of objection by 5:00 p.m. (Montréal time) on June 5, 2015.

A full copy of the Wabush Group's Motion can be found on the Website at <http://cfcanada.ficonconsulting.com/bloomlake/motions.htm>.

Notice of this Motion has also been served on the union representing hourly employees, as well as the Financial Services Regulation Division of the Government of Newfoundland and Labrador who regulates the DB Registered Pension Plans.

If you have any questions regarding the Motion or the Court hearing and you are a unionized employee, you should contact your union representative. If you are not a unionized employee, you should contact the Monitor at the following contact numbers or email address below:

Phone number: 416-649-8074

Toll free phone number: 1-844-846-7135

Email: Wabush@ficonconsulting.com


Schedule "A"
List of Pension and Retirement Plans of Wabush Group

<u>Plan Name</u>	<u>Registration Number</u>
Defined Benefit (DB) Registered Pension Plans	
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent	021314-000 (Newfoundland and Labrador) 0343558 (Canada Revenue Agency)
Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent	024899-000 (Newfoundland and Labrador) 0555201 (Canada Revenue Agency)
Defined Contribution Retirement Arrangements	
Wabush Mines Registered Retirement Savings Plan	N/A
Supplemental Retirement Arrangements	
Wabush Mines, Cliffs Mining Company, Managing Agent Supplemental Retirement Arrangement	N/A

THIS IS EXHIBIT "G" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby

Barrister and Solicitor

295 Queen Street

Kingston, ON K7K 1B7

CLIFFS NATURAL RESOURCES INC.**CONTRIBUTORY PENSION PLAN FOR SALARIED EMPLOYEES
OF WABUSH MINES, CLIFFS MINING COMPANY, MANAGING
AGENT****Actuarial Valuation as at January 1, 2014**

September 12, 2014

Registration Numbers:

Newfoundland and Labrador Superintendent of Pensions: 021314

Canada Revenue Agency: 0343558

**Pension Benefit
Standards Division****OCT 01 2014**

This document is being filed with the Newfoundland and Labrador Superintendent of Pensions and the Canada Revenue Agency as required by statute and contains confidential financial information regarding the plan, the plan sponsor, and the plan members. Therefore, pursuant to subsection 20(1)(b) of the *Access to Information Act (Canada)*, or a corresponding provision under any comparable federal or provincial legislation, a government institution shall not disclose this document to any party as a result of a request under the *Access to Information Act (Canada)* or other applicable legislation.

TOWERS WATSONThe logo for Towers Watson, featuring a stylized, handwritten-style 'w' in a dark color.

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial Valuation as at January 1, 2014

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Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

1

Introduction

Purpose

This report with respect to the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent has been prepared for Wabush Mines, the plan administrator, and Cliffs Natural Resources Inc., the owner of Wabush Mines, and presents the results of the actuarial valuation of the plan as at January 1, 2014.

The principal purposes of the report are:

- to present information on the financial position of the plan on both going concern and solvency bases;
- to review the hypothetical windup status of the plan;
- to provide the basis for employer contributions; and
- to provide certain additional information required for the administration of the plan.

This report outlines the changes in the plan's financial situation since the previous actuarial valuation at January 1, 2011, provides the information and the actuarial opinion required by the *Pension Benefits Act, 1997 (Newfoundland and Labrador)* and Regulation thereto and provides the information required to maintain plan registration under the *Income Tax Act (Canada)* and Regulations thereto.

This report summarizes the results of the actuarial valuation and contains an actuarial opinion as an integral part of the report. Supporting detailed information on the significant terms of engagement, assets, actuarial basis, membership data and plan provisions is contained in the Appendices.

The information contained in this report was prepared for Cliffs Natural Resources Inc., for its internal use and for filing with the Newfoundland and Labrador Superintendent of Pensions and the Canada Revenue Agency, in connection with the actuarial valuation of the plan prepared by Société Towers Watson Canada Inc. ("Towers Watson"). This report is not intended, nor necessarily suitable, for other parties or for other purposes. Further distribution of all or part of this report to other parties (except where such distribution is required by applicable legislation) or other use of this report is expressly prohibited without Towers Watson's prior written consent. Towers Watson is available to provide additional information with respect to this report to the above-mentioned intended users upon request.

The numbers in this report are not rounded. The fact that numbers are not rounded does not imply a greater level of precision than if the numbers had been rounded.

Significant Events Since Previous Actuarial Valuation

Actuarial Basis

Since the previous actuarial valuation, the solvency and hypothetical windup actuarial assumptions have been updated to reflect market conditions at the valuation date. In addition, there have been changes to the going concern actuarial basis, as follows:

- Increase in the liability discount rate from 6.00% to 6.25%;
- Decrease in the rate of escalation of YMPE under Canada/Québec Pension Plan from 4.50% to 3.50%;
- Decrease in the rate of escalation of *Income Tax Act (Canada)* maximum pension limitation from 4.50% to 3.50%; and
- Change in the mortality assumption.

Plan Provisions

This actuarial valuation reflects the plan provisions as at January 1, 2014 and does not make any provision for the possibility that a change or action (retroactive or otherwise) may be imposed by order of a regulatory body or a court as we were not aware of any definitive events that would require such change or action at the time this actuarial valuation was completed.

There have been no changes to the plan provisions since the previous actuarial valuation that affect the actuarial valuation's results.

Legislative and Actuarial Standards Updates

Since the previous actuarial valuation, the *Standards of Practice for Pension Commuted Values* published by the Canadian Institute of Actuaries effective April 1, 2009 provide for, effective February 1, 2011, an update to the mortality assumption. Such update has been reflected for purposes of the solvency and hypothetical windup valuations.

Subsequent Events

We completed this actuarial valuation on August 27, 2014.

Effective February 11, 2014, Cliffs Natural Resources Inc. made the decision to idle the Scully Mine. The idling of the Scully Mine will result in a reduction in active membership.

The financial impact of the event has not been reflected in this report but will, together with other subsequent experience, be reflected in the next actuarial valuation. However, the normal cost contribution rule reflects the expected reduction in membership resulting from the idling. To the best of our knowledge and on the basis of our discussions with Cliffs Natural Resources Inc., no other events

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which would have a material financial effect on the actuarial valuation occurred between the actuarial valuation date and the date this actuarial valuation was completed.

Section 1: Going Concern Financial Position

1.1 Statement of Financial Position

	January 1, 2014	January 1, 2011
Going Concern Value of Assets		
Defined benefit provision	\$ 79,802,299	\$ 81,551,580
Defined contribution provision	13,450,451	10,620,112
Total going concern value of assets	<u>\$ 93,252,750</u>	<u>\$ 92,171,692</u>
Actuarial Liability		
<i>Defined Benefit Provision</i>		
Active and disabled members	\$ 17,367,021	\$ 13,810,681
Retired members and beneficiaries	64,954,532	64,992,930
Transferred and terminated vested members	3,800,146	2,615,672
Total	<u>\$ 86,130,699</u>	<u>\$ 81,419,283</u>
<i>Defined Contribution Provision</i>	<u>13,450,451</u>	<u>10,620,112</u>
Total Actuarial Liability	\$ 99,581,150	\$ 92,039,395
Actuarial Surplus (Unfunded Actuarial Liability)	\$ (6,328,400)	\$ 132,297

Comments:

- The financial position of the plan on a going concern basis is determined by comparing the going concern value of assets to the actuarial liability and is a reflection of the assets available for the benefits accrued in respect of credited service prior to the actuarial valuation date assuming the plan continues indefinitely.
- The increase in the defined benefit actuarial liability as at January 1, 2014, which would result from a 1% decrease in the assumed liability discount rate, is \$10,367,078. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

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1.2 Reconciliation of Financial Position

<hr/>		
Actuarial surplus (unfunded actuarial liability) as at January 1, 2011		\$ 132,297
Net special payments		5,111,229
Expected interest on:		
• Actuarial surplus (unfunded actuarial liability)	\$ 25,271	
• Net amortization payments and transfer deficiency payments	<u>466,843</u>	492,114
Plan experience:		
• Investment gains (losses), net of all expenses	\$ (7,233,535)	
• Salary gains (losses)	90,364	
• Retirement gains (losses)	(609,607)	
• Termination gains (losses)	1,725,927	
• Mortality gains (losses)	(786,201)	
• New entrant gains (losses)	(2,185,605)	
• Data corrections gains (losses)	(192,096)	
• Gains (losses) from miscellaneous sources	<u>239,397</u>	(8,951,358)
Change in actuarial basis:		
• Economic assumptions	\$ 1,453,935	
• Demographic assumptions	(4,566,619)	(3,112,684)
Change in plan provisions		<u>0</u>
Actuarial surplus (unfunded actuarial liability) as at January 1, 2014		\$ (8,328,400)
<hr/>		

Section 2: Solvency and Hypothetical Windup Financial Position

2.1 Statement of Solvency Financial Position

	January 1, 2014	January 1, 2011
Solvency Value of Assets		
<i>Defined Benefit Provision</i>		
Market value of assets	\$ 83,733,274	\$ 77,584,053
Provision for plan windup expenses	(200,000)	(200,000)
Total	<u>\$ 83,533,274</u>	<u>\$ 77,384,053</u>
<i>Defined Contribution Provision</i>		
	<u>13,450,451</u>	<u>10,620,112</u>
Total Solvency Value of Assets	\$ 96,983,725	\$ 88,004,165
Solvency Liability		
<i>Defined Benefit Provision</i>		
Active and disabled members	\$ 13,082,660	\$ 8,487,081
Retired members and beneficiaries	75,183,832	73,122,162
Transferred and terminated vested members	5,738,114	3,394,035
Total	<u>\$ 94,004,606</u>	<u>\$ 85,003,278</u>
<i>Defined Contribution Provision</i>		
	<u>13,450,451</u>	<u>10,620,112</u>
Total Solvency Liability	\$ 107,455,057	\$ 95,623,390
Solvency Surplus (Unfunded Solvency Liability)	\$ (10,471,332)	\$ (7,619,225)

Comments:

- The financial position of the plan on a solvency basis is determined by comparing the solvency value of assets to the solvency liability (the actuarial present value of benefits accrued in respect of credited service prior to the actuarial valuation date, calculated as if the plan were wound up on that date).

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- The solvency actuarial valuation results presented in this report are determined under a scenario where, following a plan windup, the employer continues its operations and there is no closure of the mine.
- The Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)* permits certain benefits to be excluded from the solvency liability, without requiring the employer to make an election. The plan administrator has directed that consent for the "70/80 special early retirement" provision (described in Appendix D) will not be granted. Consistent with the scenario used for the solvency valuation, the "70/80 special early retirement" provision has been excluded from the solvency liability.
- The increase in the defined benefit solvency liability as at January 1, 2014, which would result from a 1% decrease in the assumed liability discount rate, is \$11,949,638. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

2.2 Hypothetical Windup Financial Position

The hypothetical windup valuation results presented in this report are determined under a scenario in which the plan is wound up and the mine is shut down.

If the plan were to be wound up on the actuarial valuation date, the hypothetical windup value of assets would be equal to the solvency value of assets. Consistent with the scenario used for the hypothetical windup valuation, no benefits have been excluded from the hypothetical windup liability. Therefore, the hypothetical windup liability is \$94,251,745 as at January 1, 2014. Consequently, the hypothetical windup surplus (unfunded hypothetical windup liability) as at the actuarial valuation date is (\$10,718,471).

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2.3 Solvency Incremental Cost

Defined Benefit Provision

The solvency incremental cost for a given year represents the present value, at the valuation date, of the expected aggregate change in the solvency liability during the year, increased for expected benefit payments during the year. The solvency incremental cost in respect of each year between January 1, 2014 and January 1, 2017, the next valuation date, are derived from the projection of the solvency liability, as follows:

	Year		
	2014	2015	2016
Solvency liability as at beginning of year	\$ 94,004,606	\$ 93,282,267	\$ 92,647,605
Solvency incremental cost for the year ^{1,2}	2,170,560	2,257,372	2,679,545
Interest on projected solvency liability, solvency incremental cost and expected benefit payments	3,433,804	3,388,560	3,342,974
Expected benefit payments during year ²	<u>(6,326,703)</u>	<u>(6,280,594)</u>	<u>(6,145,238)</u>
Projected solvency liability as at end of year ²	\$ 93,282,267	\$ 92,647,605	\$ 92,524,886

Notes:

¹ These amounts are as at the beginning of the year. The solvency incremental cost, adjusted with interest as at January 1, 2014 is \$2,177,032 for 2015 and \$2,492,833 for 2016.

² These amounts do not reflect the estimated membership reduction resulting from the idling of the Scully Mine as at February 11, 2014.

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2.4 Determination of the Statutory Solvency Excess (Statutory Solvency Deficiency)

The minimum funding requirements under the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)* are based on the statutory solvency excess (statutory solvency deficiency) as at the actuarial valuation date. In calculating the statutory solvency excess (statutory solvency deficiency), various adjustments can be made to the solvency financial position including:

- recognition of the present value of existing amortization payments, including any going concern amortization payments established at the actuarial valuation date, due to be paid within the periods prescribed by the Regulation.

To the extent that there exists a statutory solvency deficiency, after taking account of these adjustments, additional amortization payments must be made. If there is no statutory solvency deficiency, the statutory solvency excess may be used to reduce the period of any existing solvency amortization payments.

Statutory Solvency Excess (Statutory Solvency Deficiency)

	January 1, 2014	January 1, 2011
Solvency surplus (unfunded solvency liability)	\$ (10,471,332)	\$ (7,619,225)
Adjustments to solvency position:		
• Present value of existing amortization payments	<u>6,221,792</u>	<u>0</u>
Statutory solvency excess (statutory solvency deficiency)	\$ (4,249,540)	\$ (7,619,225)

Comments:

- The present value of existing amortization payments reflects any changes made in this actuarial valuation to going concern amortization schedules.
- Further details on the present value of existing amortization payments at January 1, 2014 are provided below.

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Details of Present Value of Existing Amortization Payments

Type of payment	Effective date	Month of last payment recognized in calculation	Annual amortization payment	Present value as at January 1, 2014 (at 3.70% per annum)
Going Concern	Jan 1, 2014	Dec. 2018	\$ 644,028	\$ 2,940,135
Solvency	Jan. 1, 2011	Dec. 2015	<u>1,703,743</u>	<u>3,281,657</u>
Total			\$ <u>2,347,771</u>	\$ <u>6,221,792</u>

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Section 3: Contribution Requirements

3.1 Contribution for Current Service (Ensuing Year)

	January 1, 2014	January 1, 2011
Employer Normal Actuarial Cost		
<i>Defined Benefit Provision</i>		
Estimated contribution	\$ 1,524,956 ¹	\$ 1,719,998
Estimated payroll	19,359,779 ¹	22,638,017
% of payroll	7.88%	7.60%
<i>Defined Contribution Provision</i>		
Estimated contribution	\$ 1,161,587 ¹	\$ 1,358,281
Estimated payroll	19,359,779 ¹	22,638,017
% of payroll	6.00%	6.00%
Estimated Member Contributions		
Defined contribution provision	\$ 580,794 ¹	\$ 679,141

Note:

¹ Reflect estimated membership reduction resulting from the idling of the Scully Mine as at February 11, 2014.

Comments:

- The employer defined benefit normal actuarial cost rate changed by 0.22% of payroll due to the change in membership profile and by 0.06% of payroll due to the change in actuarial basis since the previous valuation.
- The increase in the employer defined benefit normal actuarial cost rate between the actuarial valuation date and the next actuarial valuation date, which would result from a 1% decrease in the assumed liability discount rate, is 2.08% of payroll. For purposes of this calculation, no changes were made to any of the other actuarial assumptions or actuarial methods.

3.2 Contributions for Past Service

Going Concern Amortization Payments

The unfunded actuarial liability is \$6,328,400 and must be liquidated by employer amortization payments at least equal to the amounts, payable monthly in arrears, and for the periods set forth below in order to comply with the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*.

Effective date	Month of last payment	Annual amortization payment	Present value as at January 1, 2014 (at 6.25% per annum)
January 1, 2014	Dec. 2028	\$ 644,028	\$ 6,328,400

Solvency Amortization Payments

The statutory solvency deficiency revealed at this actuarial valuation is \$4,249,540. This statutory solvency deficiency together with the remaining statutory solvency deficiency from the previous actuarial valuation must be liquidated by employer amortization payments at least equal to the amounts, payable monthly in arrears, and for the periods set forth below in order to comply with the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*.

Effective date	Month of last payment	Annual amortization payment	Present value as at January 1, 2014 (at 3.70% per annum)
January 1, 2011	Dec. 2015	\$ 1,703,743	\$ 3,281,657
January 1, 2014	Dec. 2018	930,852	4,249,540
Total		\$ 2,634,595	\$ 7,531,197

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3.3 Estimated Minimum Employer Contribution (Ensuing Year)

	January 1, 2014	January 1, 2011
Employer Normal Actuarial Cost		
Defined benefit provision	\$ 1,524,956	\$ 1,719,998
Defined contribution provision	1,161,587	1,358,281
Total	<u>\$ 2,686,543</u>	<u>\$ 3,078,279</u>
Amortization Payments		
Going concern	\$ 644,028	\$ 0
Solvency	2,634,595	1,703,743
Total	<u>\$ 3,278,623</u>	<u>\$ 1,703,743</u>
Estimated Minimum Employer Contribution	\$ 5,965,166	\$ 4,782,022

3.4 Estimated Maximum Employer Contribution (Ensuing Year)

	January 1, 2014	January 1, 2011
Employer Normal Actuarial Cost		
Defined benefit provision	\$ 1,524,956	\$ 1,719,998
Defined contribution provision	1,161,587	1,358,281
Total	<u>\$ 2,686,543</u>	<u>\$ 3,078,279</u>
Greater of the Unfunded Actuarial Liability and the Unfunded Hypothetical Windup Liability	<u>10,718,471</u>	<u>7,619,225</u>
Estimated Maximum Employer Contribution	\$ 13,405,014	\$10,697,504

Comment:

- The *Income Tax Act (Canada)* permits the employer to make contributions up to the above amount less the amortization payments made in respect of periods since January 1, 2014, provided that all assumptions made for the purposes of the hypothetical windup valuation remain reasonable at the time each contribution is made. In addition, the maximum employer contribution is to be adjusted with interest for the period between the actuarial valuation date and the date each contribution is made.

3.5 Timing of Contributions

To satisfy the requirements of Newfoundland and Labrador pension legislation, the employer defined benefit normal actuarial cost and amortization payments must be paid quarterly and within 30 days of the month to which they pertain, the employer defined contribution normal actuarial cost and members' contributions must be remitted to the fund monthly and within 30 days of the month to which they pertain.

In addition, within 60 days after this report is filed with the Newfoundland and Labrador Superintendent of Pensions, the employer must make a special contribution equal to the excess, if any, of:

- the amount of employer contributions (employer normal actuarial cost and amortization payments) that should have been paid after January 1, 2014 according to the minimum contribution requirements revealed by this report, over
- the actual amount of employer contributions in respect of periods after January 1, 2014.

Interest must be added to this excess, with such interest determined by reference to the going concern discount rate for payments in respect of employer normal actuarial cost or going concern amortization payments and the solvency discount rate for payments in respect of solvency amortization payments.

To satisfy the requirements of the *Income Tax Act (Canada)*, employer contributions that are remitted to the plan in the taxation year or within 120 days after the end of such taxation year are deductible in such taxation year provided they were made to fund benefits in respect of periods preceding the end of the taxation year.

3.6 Other Statutory Contributions

Additional contributions may be required in respect of the transfer values for members who terminate employment or active plan membership. Where applicable, such additional contributions must be remitted before the related transfer value may be paid in full to the terminated member. Details are provided in Appendix G.

3.7 Future Contribution Levels

Future contribution levels may change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which has been anticipated at this time. Emerging experience, differing from the assumptions, will result in gains or losses that will be revealed in future actuarial valuations.

Section 4: Actuarial Certification and Opinion

4.1 Actuarial Certification

Based on the results of these actuarial valuations, we hereby certify that, in our opinion, as at January 1, 2014:

- The actuarial surplus (unfunded actuarial liability), determined by comparing the actuarial liability, the measure of obligations of the plan on a going concern basis, to the going concern value of assets, is \$(6,328,400).
- The unfunded actuarial liability is \$6,328,400 and must be liquidated by employer amortization payments at least equal to the amounts and for the periods set forth in Section 3 in order to comply with the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*.
- The solvency surplus (unfunded solvency liability), determined by comparing the solvency liability, as defined in the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*, to the solvency value of assets, is \$(10,471,332).
- The statutory solvency excess (statutory solvency deficiency) revealed at this actuarial valuation is \$(4,249,540). This statutory solvency deficiency together with the remaining statutory solvency deficiency from the previous actuarial valuation must be liquidated by employer amortization payments at least equal to the amounts and for the periods set forth in Section 3 in order to comply with the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*.
- The hypothetical windup surplus (unfunded hypothetical windup liability), determined by comparing the hypothetical windup liability, the measure of the obligations of the plan on a hypothetical windup basis including the value of any potential obligations that may have been excluded for purposes of the solvency valuation, to the hypothetical windup value of assets, is \$(10,718,471).
- The excess actuarial surplus, pursuant to section 147.2(2) of the *Income Tax Act (Canada)*, is \$0.
- The rule for computing the employer defined benefit normal actuarial cost is 7.88% of payroll. Based on the plan membership used for this actuarial valuation, the normal actuarial cost for the next three years is estimated to be:

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Defined Benefit Provision

	Year		
	2014	2015 ^{1,2}	2016 ^{1,2}
Estimated employer normal actuarial cost	\$ 1,524,956	\$ 1,169,261	\$ 1,227,724

Notes:

¹ Assumes the employer normal actuarial cost increases by 5% each year following the valuation date based on expected payroll increases.

² Reflect estimated membership reduction resulting from the idling of the Scully Mine as at February 11, 2014.

The rule for computing the employer defined contribution normal actuarial cost is stipulated in the plan. Based on the plan membership used in this actuarial valuation, the defined contribution requirement for the next three years is estimated to be:

Defined Contribution Provision

	Year		
	2014	2015 ^{1,2}	2016 ^{1,2}
Estimated employer normal actuarial cost ^{2,3}	\$ 1,161,587	\$ 823,106	\$ 864,261
Estimated member contributions	\$ 580,794	\$ 411,553	\$ 432,131

Notes:

¹ Assumes the employer normal actuarial cost increases by 5% each year following the valuation date based on expected payroll increases.

² Reflect estimated membership reduction resulting from the idling of the Scully Mine as at February 11, 2014.

³ Prior to any application of non-vested forfeitures.

The employer is required to make normal actuarial cost contributions to the plan in accordance with the above rules until the effective date of the next actuarial opinion.

- The maximum employer contributions permissible under the *Income Tax Act (Canada)* are described in Section 3.
- The solvency ratio, as defined in the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*, is 0.89.
- In accordance with the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*, the next actuarial valuation should be performed with an effective date not later than

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January 1, 2017. The basis for employer contributions presented in this report is effective until the next actuarial opinion is filed.

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4.2 Actuarial Opinion

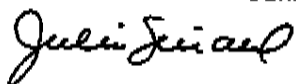
In our opinion:

- the membership data on which the actuarial valuations are based are sufficient and reliable for the purposes of the going concern, solvency and hypothetical windup valuations,
- the assumptions are appropriate for the purposes of the going concern, solvency and hypothetical windup valuations, and
- the methods employed in the actuarial valuation are appropriate for the purposes of the going concern, solvency and hypothetical windup valuations.

This report has been prepared, and our opinion has been given, in accordance with accepted actuarial practice in Canada. The actuarial valuations have been conducted in accordance with our understanding of the funding and solvency standards prescribed by the *Pension Benefits Act 1997 (Newfoundland and Labrador)* and Regulation thereto, and in accordance with our understanding of the requirements of the *Income Tax Act (Canada)* and Regulations thereto. This actuarial opinion forms an integral part of the report.

The results presented in this report have been developed using a particular set of actuarial assumptions. Other results could have been developed by selecting different actuarial assumptions. The results presented in this report are reasonable actuarial results based on actuarial assumptions reflecting our expectation of future events.

Société Towers Watson Canada inc.



Julie Simard
Fellow of the Canadian Institute of Actuaries



Pierre Charette
Associate of the Canadian Institute of Actuaries

Montréal, QC
September 12, 2014

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Appendix A: Significant Terms of Engagement

For purposes of preparing this actuarial valuation report, the plan administrator has directed that:

- The actuarial valuation is to be prepared as at January 1, 2014.
- For purposes of the going concern valuation, the terms of engagement require the use of the margins for adverse deviations mentioned in Appendix C.
- For purposes of determining the going concern liability discount rate, the target asset class distribution is to be established in accordance with the investment policy dated July 1, 2013 which is the most up to date version.
- For purposes of determining the going concern financial position of the plan, the going concern value of assets is to be determined using the averaging technique described in the Asset Valuation Method section in Appendix C.
- This report is to be prepared on the basis that there will be no retroactive changes to previously filed partial windup reports, if any, and neither the applicable pension regulator nor the plan sponsor will order/declare any partial plan windup with an effective date prior to the actuarial valuation date.
- The hypothetical windup valuation results presented in this report are to be determined under a scenario where the employer continues to operate and certain expenses are paid from the pension fund (consistent with past practice) while the employer pays other plan expenses.
- This report is to be prepared on the basis that the employer is entitled to apply the actuarial surplus, if any, revealed in an actuarial valuation report to meet its contribution requirements under the plan while the plan remains a going concern, to the extent permitted by applicable pension legislation. (This report does not address the disposition of any surplus assets remaining in the event of plan windup.) If an applicable pension regulator or other entity with jurisdiction directs otherwise, certain financial measures contained in this report, including contribution requirements, may be affected.

Should these directions from the plan administrator be amended or withdrawn, Towers Watson reserves the right to amend or withdraw this report.

Cliffs Natural Resources Inc.
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Appendix B: Assets

Statement of Market Value

	January 1, 2014	January 1, 2011
Defined Benefit Provision		
Invested assets:		
• Pooled funds	\$ 84,252,190	\$ 77,584,053
Net outstanding amounts:		
• Contributions receivable	\$ 0	\$ 0
• Benefits payable	(518,916)	0
• Expenses and other payables	0	0
• Total net outstanding amounts	\$ (518,916)	\$ 0
Total	\$ 83,733,274	\$ 77,584,053
Defined Contribution Provision		
Invested assets	\$ 13,450,451	\$ 10,620,112
Net outstanding amounts	0	0
Total	\$ 13,450,451	\$ 10,620,112
Total Assets	\$ 97,183,725	\$ 88,204,165

Comments:

- The invested assets in respect of the plan's defined benefit provision are held by CIBC Mellon under account WHMF10000002. The invested assets in respect of the plan's defined contribution provision are held by Sun Life Financial under policy 66535.
- The data relating to the invested assets are based on the financial statements issued by CIBC Mellon and Sun Life Financial. The data relating to net outstanding amounts were furnished by Cliffs Natural Resources Inc. All such data has been relied upon by Towers Watson following tests of reasonableness with respect to contributions, benefit payments and investment income. However, Towers Watson has not independently audited or verified this data.

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Asset Class Distribution

The following table shows the target asset allocation stipulated by the plan's defined benefit component investment policy in respect of various major asset classes and the actual asset allocation as at January 1, 2014.

	Target asset allocation ¹	Asset allocation as at January 1, 2014 ²
Canadian Equity	30%	31%
Foreign Equity	30%	31%
Fixed Income	30%	27%
Hedge Fund	10%	10%
Cash & Other	0%	1%
Total	100%	100%

Notes:

¹ This information was obtained from the investment policy in effect for the plan as at January 1, 2014.

² This information was obtained from Cliffs Natural Resources Inc. All such data has been relied upon by Towers Watson and compared against the target asset allocation to assess reasonableness. However, Towers Watson has not independently audited or verified this data.

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Reconciliation of Invested Assets (Market Value) — Defined Benefit Provision

Assets as at January 1, 2011		\$ 77,584,053
Receipts:		
● Contributions:		
- Employer normal actuarial cost	5,872,563	
- Employer amortization payments	5,111,229	
- Employer transfer deficiency payments	<u>0</u>	\$ 10,983,792
● Investment return, net of investment expenses		15,427,253
● Other receipts		<u>0</u>
● Total receipts		\$ 26,411,045
Disbursements:		
● Benefit payments:		
- Pension payments	\$ 19,081,546	
- Lump sum settlements	661,362	
- Other benefit payments	<u>0</u>	\$ 19,742,908
● Other disbursements		<u>0</u>
● Total disbursements		\$ 19,742,908
Assets as at January 1, 2014		\$ 84,252,190

Comments:

- This reconciliation is based on the financial statements issued by CIBC Mellon. All such data has been relied upon by Towers Watson following tests of reasonableness with respect to contributions, benefit payments and investment income. However, Towers Watson has not independently audited or verified this data.
- The rate of return earned on the market value of assets, net of all expenses, from January 1, 2011 to January 1, 2014 is approximately 6.58% p.a.

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Actuarial Value of Assets – Defined Benefit Provision

	2013	2012	2011	2010
Market value of assets, January 1	\$ 76,212,036	\$ 73,789,910	\$ 77,584,053	\$ 75,627,166
Contributions from January 1 to December 31	3,764,130	3,845,662	3,374,000	957,000
Benefit payments from January 1 to December 31	(5,257,752)	(6,654,471)	(6,830,865)	(6,342,870)
Expected net investment earnings at going concern discount rate applicable for the year	<u>4,497,914</u>	<u>4,341,930</u>	<u>4,551,343</u>	<u>4,740,726</u>
Expected market value of assets, December 31	\$ 76,216,328	\$ 75,303,031	\$ 78,678,711	\$ 74,982,042
Actual market value of assets, December 31	<u>84,252,190</u>	<u>76,212,036</u>	<u>73,769,910</u>	<u>77,584,053</u>
(Gain) loss on assets during the year	\$ (6,035,862)	\$ (909,005)	\$ 4,908,801	\$ (2,602,011)
Asset Value Adjustment				
Year				
2010	\$ (2,602,011)	\$ (1,561,207)	\$ (502,402)	\$ (502,402)
2011	4,908,801	1,963,520	981,761	1,963,520
2012	(809,005)	(181,801)	(181,801)	(945,403)
2013	(6,035,862)	0	(1,207,172)	(4,828,690)
Total				\$ (3,930,875)
Actual market value of assets, January 1, 2014				84,252,190
Contribution in transit at January 1, 2014				<u>(518,916)</u>
Market value of assets, January 1, 2014 (including contributions in transit)				\$ 83,733,274
Adjustment to market value of assets for (gain) loss to be admitted in future years				<u>(3,930,975)</u>
Actuarial value of assets, January 1, 2014 (including contributions in transit)				\$ 79,802,299

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Comments:

- The asset valuation method is described in Appendix C.
- The starting value of each column is the actual market value of invested assets at the indicated date.
- Net cash flow was calculated as contributions less benefit payments on a cash basis during the year.
- The rate of return earned on the going concern value of assets, net of all expenses, from January 1, 2011 to January 1, 2014 is approximately 2.94% p.a.

Appendix C: Actuarial Basis – Going Concern Valuation

Methods

Defined Benefit Provision

Asset Valuation Method

The going concern value of assets was calculated using a five-year average of market values. Under this method, realized and unrealized gains and losses were recognized at 20% in the year of occurrence and an additional 20% in each of the subsequent four years. Gains and losses for a given year are determined relative to expected investment income, calculated using the going concern liability discount rate in effect for that year. Finally, the going concern value of assets was further adjusted for net outstanding amounts.

The objective of the asset valuation method is to produce a smoother pattern of going-concern surplus (deficit) and hence a smoother pattern of contributions, consistent with the long-term nature of a going concern valuation.

Such smoothing is achieved by use of an averaging process which systematically recognizes investment returns different from expectations over a four-year period, with 20% recognized at the actuarial valuation date and the remainder at a rate of 20% per year. This method will be expected to average periods of outperformance with periods of underperformance.

Actuarial Cost Method

The actuarial liability and the normal actuarial cost were calculated using the projected unit credit cost method.

Prospective benefits were calculated for each active and disabled member according to the plan provisions and actuarial assumptions. The actuarial liability was calculated as the actuarial present value of the member's prospective benefits accrued for credited service to date (the benefit accrual method).

The actuarial liability for retired members and beneficiaries and transferred and terminated vested members was calculated as the actuarial present value of their respective benefits.

The normal actuarial cost for each active and disabled member was calculated as the actuarial present value of the member's prospective benefits accruing in respect of credited service in the

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ensuing year. The normal actuarial cost rate determined by the projected unit credit cost method will be stable over time if the demographic characteristics of the active and disabled members remain stable from actuarial valuation to actuarial valuation. All other things being equal, a population of active members whose average age increases (decreases) between actuarial valuations will result in an increasing (decreasing) normal actuarial cost rate.

Defined Contribution Provision

For the purposes of the going concern valuation, the determination of the actuarial liability and normal actuarial cost for the defined contribution provision does not involve the use of an actuarial cost method, nor does it involve actuarial assumptions. By definition, the actuarial liability under the defined contribution provision corresponds with the market value of the members' defined contribution accounts at the actuarial valuation date.

The employer normal actuarial cost for each active and disabled member was calculated as the expected employer contribution to be made to the member's defined contribution accounts in the year following the actuarial valuation date. The expected contribution to be made to each member's defined contribution account was determined by increasing the actual contributions made in 2013 by 5.0%, the salary increase assumption on a going concern basis. The expected contribution was further adjusted to reflect the estimated membership reduction resulting from the idling of the Sully Mine as at February 11, 2014.

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Actuarial Assumptions — Defined Benefit Provision

	January 1, 2014	January 1, 2011
Economic Assumptions (per annum)		
Liability discount rate	6.25%	6.00%
Rate of salary increase	5.00% (nil for disabled members)	5.00% (nil for disabled members)
Escalation of YMPE under Canada/Québec Pension Plan ¹	3.50%	4.50%
Escalation of <i>Income Tax Act</i> (<i>Canada</i>) maximum pension limitation ²	3.50%	4.50%
Rate of inflation	2.50%	2.50%
Pre-retirement indexation ³	1.25%	1.25%
Demographic Assumptions		
Mortality	2014 Canadian Pensioners' Mortality Table, projected generationally using Scale B	1994 Uninsured Pensioner Mortality Table, projected generationally using Scale AA
Withdrawal	Service-related rates (refer to Table 1) for Newfoundland members; nil for Quebec members	Service-related rates (refer to Table 1) for Newfoundland members; nil for Quebec members
Disability incidence/recovery	Nil	Nil
Retirement from active membership	Age-related rates (see Table 2)	Age-related rates (see Table 2)
Pension commencement after termination of employment	Age 65	Age 65
Other		
Percentage of members with eligible spouses at pension commencement and electing joint and survivor pension form	85%	85%
Years male spouse older than female spouse	3	3
Provision for non-investment expenses	None; return on plan assets is net of all expenses	None; return on plan assets is net of all expenses

Notes:

- ¹ The YMPE of \$52,500 for 2014 is the starting value for the YMPE projection as at the current actuarial valuation and is indexed starting in 2015.
- ² The *Income Tax Act (Canada)* maximum pension limit of \$2,770,00 per year of service in 2014 is the starting value for maximum pension limit projection as at the current valuation and is indexed starting in 2015.
- ³ Applied only for post-2000 service related benefits for Québec members in respect of indexation from date of termination to age 55.

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Table 1 — Non-disabled Withdrawals for 1,000 Participants

Completed Years of Service	Male	Completed Years of Service	Male
0	198	15	44
1	181	16	39
2	165	17	35
3	150	18	32
4	136	19	28
5	123	20	25
6	112	21	23
7	101	22	20
8	91	23	18
9	82	24	16
10	74	25	14
11	67	26	13
12	60	27	11
13	54	28	10
14	49	29	9
		30+	0

Table 2 — Assumed Retirement Pattern

Assumed Retirement Age

- 75% retire as soon as eligible for an unreduced pension, but not earlier than age 60.
- 25% retire as soon as eligible for an unreduced pension, but not earlier than age 52.

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Rationale for Actuarial Assumptions

The rationale for the material actuarial assumptions used in the going concern valuation is summarized below.

The going concern assumptions do not include margins for adverse deviations, except as noted below.

Liability discount rate

The assumption is an estimate of the expected long-term return on plan assets, net of a provision for non-investment expenses expected to be paid from the plan of 0.18% of invested assets, less a 0.50% margin for adverse deviations. The expected long-term return is based on returns for each major asset class in which the plan is expected to be invested (net of investment expenses), the plan's investment policy with consideration of the effects of diversification and periodic rebalancing to maintain the target mix of the plan's investment policy. We have assumed that additional returns associated with employing an active investment management strategy would equal the additional expenses associated with employing such strategy. Consequently, we have disregarded any potential additional returns.

In carrying out the plan's investment policy, the plan administrator has opted to invest the plan's assets in a diversified portfolio, which includes certain asset classes subject to risk that provide potential for higher return. The expected long-term return for asset classes subject to risk includes an estimated risk premium. Based on historical experience, assets invested in instruments subject to risk are normally expected to yield higher returns in the long-run than assets invested in low-risk investments, but these returns may fluctuate significantly from year to year and not necessarily in line with changes in the plan's liabilities over long periods of time. As a result, investing in riskier asset classes will generally increase the potential for future asset-liability mismatch, which could lead to greater volatility in the plan's financial position and minimum contribution requirements.

Rate of salary increase

The assumption reflects an assumed rate of inflation of 2.50% per annum, plus an allowance of 1.0% per annum for the effect of real economic growth and productivity gains in the economy. In addition, an allowance of 1.5% per annum has been made to reflect the average expected increase as a result of individual employee merit and promotion. The merit/promotion assumption is based on discussions with Cliffs Natural Resources Inc. management concerning their future expectations.

Escalation of YMPE under Canada/Québec Pension Plan

The YMPE is indexed annually based on increases in the Industrial Aggregate Wage Index for Canada. The assumption reflects an assumed rate of inflation of 2.50% per annum, plus an allowance of 1.0% per annum for the effect of real economic growth and productivity gains in the economy.

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Escalation of Income Tax Act (Canada) maximum pension limitation

The maximum pension limitation under the *Income Tax Act (Canada)* is scheduled to be indexed annually based on assumed increases in the Industrial Aggregate Wage Index. The assumption reflects an assumed rate of inflation of 2.50% per annum, plus an allowance of 1.0% per annum for the effect of real economic growth and productivity gains in the economy.

Rate of inflation

The assumption reflects an estimate of future rates of inflation considering economic and financial market conditions at the actuarial valuation date.

Pre-retirement indexation

The pre-retirement indexation assumption represents 50% of the inflation assumption, up to a maximum of 2% per annum.

Mortality

The 2014 Canadian Pensioners' Mortality Table (CPM2014) is based on a mortality experience study for calendar years 1998 to 2008 conducted by the Canadian Institute of Actuaries on a sample of Canadian registered pension plans. The CPM2014 table includes potential adjustments to the mortality rates based on pension size and/or industry classification. Improvement Scale B (CPM-B) is a two-dimensional scale developed by the Canadian Institute of Actuaries based primarily on the mortality experience of pensioners under the Canada Pension Plan (CPP) and the Québec Pension Plan (QPP) up to 2007 as well as the assumptions used in the 26th CPP Actuarial Report.

Base mortality rates from the CPM2014 table are considered reasonable for the actuarial valuation of the plan given that the mortality experience of the plan membership is insufficient to assess plan-specific experience, and there is no reason to expect the mortality experience of the plan to differ significantly from that of other pension plans covering membership groups with similar characteristics. Applying improvement scale CPM-B generationally provides allowance for improvements in mortality after 2014 and is considered reasonable for projecting mortality experience into the future.

No allowance has been made for mortality prior to retirement with respect to terminated vested members in order to approximate the value of pre-retirement death benefits.

At the previous actuarial valuation, the 1994 Uninsured Pensioner Mortality Table projected generationally using Scale AA was used.

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Withdrawal

Withdrawal rates are typically developed taking into account the past experience of the plan. However, based on discussions with management, recent withdrawal experience is not considered appropriate for assessing the future incidence of withdrawal. Accordingly, the rates of withdrawal are based on the Society of Actuaries 2003 Pension Plan Termination and Retirement Study (using the table for small plans – 1,000 lives or less – with turnover by service), following discussions with management concerning their future expectations and our experience with other similar plans.

Disability incidence/recovery

There are no disability benefits under the plan other than the accrual of retirement income (earnings remain constant) during disability. Consequently, the assumption of no incidence of disability or recovery therefrom makes an appropriate allowance, in combination with the other assumptions, for such continued accruals.

Retirement from active membership

Retirement rates are typically developed taking into account the past experience of the plan. However, based on discussions with Cliffs Natural Resources Inc. management, recent retirement experience is not considered appropriate for predicting the future incidence of retirement. Accordingly, rates of retirement were developed based on discussions with Cliffs Natural Resources Inc. management concerning their future expectations, the plan provisions and our experience with other similar plans. All members are assumed to commence their pension at retirement date.

Pension commencement after termination of employment

All transferred and terminated members are assumed to commence their pension at the normal retirement age of 65, as the plan's termination benefit provides for either an actuarially reduced benefit or a 6% per year reduction upon pension commencement prior to normal retirement age.

Percentage of members with eligible spouses at pension commencement and electing joint and survivor pension form

When provided, the actual data on the spouse and form of payment were used for retired members. For other members, the assumed percentage of members with a spouse is based on the percentages for the general population. All members with eligible spouses were assumed to elect a joint and survivor pension form

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Years male spouse older than female spouse

When provided, the actual data on the spouse were used for retired members. For other members, the assumption is based on surveys of the age difference in the general population and an assessment of future expectations for members of the plan.

Provision for non-investment expenses

The liability discount rate is net of all expenses (with the exception of any fees associated with employing an active investment management strategy). The assumed level of expenses reflected in the liability discount rate is based on recent experience of the plan and an assessment of future expectations.

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Appendix D: Actuarial Basis – Solvency and Hypothetical Windup Valuations

Methods

Defined Benefit Provision

Asset Valuation Method

The market value of assets, adjusted for net outstanding amounts, has been used for the solvency and hypothetical windup valuations. The resulting value has been reduced by a provision for plan windup expenses.

Liability Calculation Method

The solvency and hypothetical windup liabilities for active and disabled members were calculated as the actuarial present value of all benefits accrued up to the actuarial valuation date (treating all members as if vested).

The solvency and hypothetical windup liabilities for retired members and beneficiaries and transferred and terminated vested members were calculated as the actuarial present value of their respective benefits.

Other Considerations

The solvency and hypothetical windup valuations have been prepared on a hypothetical basis. In the event of an actual plan windup, the plan assets may have to be allocated between various classes of plan members or beneficiaries as required by applicable pension legislation. Such potential allocation has not been performed as part of these solvency and hypothetical windup valuations.

Defined Contribution Provision

For the purposes of the solvency and hypothetical windup valuations, the determination of the liability for the defined contribution provision does not involve the use of a liability calculation method, nor does it involve actuarial assumptions. By definition, the solvency and hypothetical windup liability under the defined contribution provision corresponds with the market value of the members' defined contribution accounts at the actuarial valuation date.

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Solvency Incremental Cost Actuarial Method

Defined Benefit Provision

The solvency incremental cost for a given year represents the present value, at the actuarial valuation date, of the expected aggregate change in the defined benefit solvency liability during the year, increased for expected benefit payments during the year.

The solvency incremental cost reflects expected decrements and related changes in membership status, accrual of service, any expected changes in benefits, entitlements, pension formula or increases in the maximum pension limits, and projected pensionable earnings during the year.

The solvency incremental cost has been calculated for each year until the next actuarial valuation date as the projected solvency liability at the end of the year, minus the solvency liability at the beginning of the year, increased for expected benefit payments during the year. Each of these amounts is discounted to the actuarial valuation date using the projected solvency liability discount rate.

The method used to calculate the projected solvency liability at the end of the year is the same as used in the solvency valuation.

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Actuarial Assumptions — Defined Benefit Provision

	January 1, 2014	January 1, 2011
Economic Assumptions (per annum)		
Liability discount rate		
• Annuity purchase	3.80%	4.50%
• Commuted value transfers	3.10% for 10 years, 4.60% thereafter	3.70% for 10 years, 5.00% thereafter
• Commuted value transfers (for benefits subject to pre-retirement indexation) ¹	2.40% for 10 years, 3.50% thereafter	2.80% for 10 years, 3.70% thereafter
Discount rate for determining amortization payments ²	3.70%	4.42%
Escalation of <i>Income Tax Act (Canada)</i> maximum pension limitation ³	Nil	Nil
Rate of inflation		
• Commuted value transfers	1.36% for 10 years, 2.12% thereafter	1.76% for 10 years, 2.50% thereafter
Demographic Assumptions		
Mortality	1994 Uninsured Pensioner Mortality Table, projected generationally using Scale AA	1994 Uninsured Pensioner Mortality Table, projected to 2020 using Scale AA
Withdrawal	N/A	N/A
Disability incidence/recovery	N/A	N/A
Retirement/pension commencement	Described in detail on page D-7	Described in detail on page D-7
Other		
Percentage of members with eligible spouses at pension commencement and electing joint and survivor pension form	85%	85%
Years male spouse older than female spouse	3	3

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	January 1, 2014	January 1, 2011
Percentage of members receiving settlement by commuted value transfer¹		
• Retired members and beneficiaries	0%	0%
• Active members (eligible for immediate retirement; not in Quebec)	0%	0%
• Other members	100%	100%
Provision for expenses		
• Solvency	\$200,000	\$200,000
• Hypothetical windup	\$200,000	\$200,000

Notes:

- ¹ Applied only to post-2000 service related benefits for Québec members.
- ² Equal to the liability-weighted average of the liability discount rates for settlements by commuted value transfer (rate in effect for the first 10 years) and annuity purchase.
- ³ The *Income Tax Act (Canada)* maximum pension limit is \$2,770.00 per year of service as at January 1, 2014.
- ⁴ The balance are assumed to receive settlement by annuity purchase.

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Rationale for Actuarial Assumptions

The rationale for the material actuarial assumptions used in the solvency and hypothetical windup valuations is summarized below.

The actuarial assumptions used in the solvency and hypothetical windup valuations do not include margins for adverse deviations.

Liability discount rate

In the event of a plan windup, it is expected that a portion of the liabilities will be settled by a group annuity purchase and the balance of the liabilities will be settled by commuted value transfers.

For the calculation of the portion of the solvency and hypothetical windup liabilities relating to the benefits that are expected to be settled by a group annuity purchase, the liability discount rate corresponds to an approximation of the annuity purchase rates as at the actuarial valuation date following application of the relevant guidance on assumptions for solvency and hypothetical windup valuations issued by the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting. Effective June 30, 2013, the guidance was revised to reflect the duration of the liabilities for non-indexed benefits assumed to be settled by group annuity purchase in the approximation of the annuity purchase rate. The duration of the liabilities assumed to be settled through the purchase of non-indexed annuities is 9.4.

For the calculation of the portion of the solvency and hypothetical windup liabilities relating to the benefits that are expected to be settled by commuted value transfers, the liability discount rates have been determined in accordance with the *Standards of Practice for Pension Commuted Values* published by the Canadian Institute of Actuaries effective April 1, 2009 and revised effective February 1, 2011. For this actuarial valuation, the January 2014 rates have been used.

For the calculation of the portion of the solvency and hypothetical windup liability relating to benefits subject to pre-retirement indexation that are expected to be settled by commuted value transfers, the liability discount rates have been determined as the interest rate for pensions indexed at 50% of the increases in the Consumer Price Index (maximum of 2% per annum) in accordance with the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*.

Escalation of Income Tax Act (Canada) maximum pension limitation

The *Income Tax Act (Canada)* maximum pension limitation specified in the Act as at the actuarial valuation date is applied without consideration for future scheduled increases, as pension entitlements are determined as at the actuarial valuation date.

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Rate of Inflation

For benefits that are expected to be settled by commuted value transfers, the assumption has been determined in accordance with the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*.

Mortality

For benefits that are expected to be settled by commuted value transfers, the assumption has been determined in accordance with the *Standards of Practice for Pension Commuted Values* published by the Canadian Institute of Actuaries effective April 1, 2009 and revised effective February 1, 2011. For the benefits that are expected to be settled by a group annuity purchase, the assumption has been set following application of the relevant guidance on assumptions for solvency and hypothetical windup valuations issued by the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting. No pre-retirement mortality has been assumed in order to approximate the value of pre-retirement death benefits.

Retirement/pension commencement

- Members eligible to retire: pension commences at the age that produces the highest value (among the retirement age options for which the member qualifies upon termination of employment).
- Other members: pension commences at age 65.

For benefits that are expected to be settled by commuted value transfers, this assumption is in accordance with the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*. For the benefits that are expected to be settled by a group annuity purchase, this is consistent with the expected assumption that will be used by Insurers to price the group annuity.

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Following is a summary of the plan's early retirement provisions, and how they are reflected in the solvency valuation.

<i>Plan Provision</i>	<i>Treatment of Plan Provision, for Solvency Valuation</i>
<ul style="list-style-type: none"> ● "30 and out" early retirement <ul style="list-style-type: none"> - 30+ years of continuous service - unreduced benefit 	<ul style="list-style-type: none"> ● Included in solvency valuation.
<ul style="list-style-type: none"> ● "55 and 15" early retirement <ul style="list-style-type: none"> - age 55+ with 15+ years of continuous service - 6% reduction per annum pre-65 applied 	<ul style="list-style-type: none"> ● Included in solvency valuation.
<ul style="list-style-type: none"> ● "70/80" special early retirement <ul style="list-style-type: none"> - age 55+ with 15+ years of continuous service, or - 80+ age/service points with 15+ years of continuous service - upon shutdown or permanent disability or with company consent: unreduced benefit 	<ul style="list-style-type: none"> ● Company has never granted consent in the past, in individual situations. ● Company has used the provision in the past, for targeted downsizings in 1981, 1987, 1991, and 2002. ● Management indicated consent would not be granted if the pension plan were to be terminated. ● Statutory solvency funding rules focus on pension plan termination, not shutdown of the mine. ● Scenario for solvency valuation assumes that the employer continues its operations and there is no closure of the mine. ● Conditions for including this provision in the solvency valuation are therefore not met; excluded from solvency valuation, in accordance with directions from the plan administrator.
<ul style="list-style-type: none"> ● Statutory early retirement <ul style="list-style-type: none"> - age 55+ with 2+ years of continuous service (no service requirement for Quebec employees) - actuarial reduction applied 	<ul style="list-style-type: none"> ● Included in solvency valuation.
<ul style="list-style-type: none"> ● Deferred vested early retirement <ul style="list-style-type: none"> - termination of service prior to retirement eligibility - with 15+ years of continuous service: 6% reduction per annum pre-65 applied - less than 15 years of continuous service: actuarial reduction applied 	<ul style="list-style-type: none"> ● Included in solvency valuation.

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Percentage of members with eligible spouses at pension commencement and electing joint and survivor pension form

See rationale for going concern assumptions in Appendix C.

Years male spouse older than female spouse

See rationale for going concern assumptions in Appendix C.

Percentage of members receiving settlement by commuted value transfer

This assumption has been determined by considering the benefit provisions of the plan, legislative requirements to offer specific settlement options to various classes of members, and, in particular, the options to be provided to members upon plan windup.

The assumption also reflects the expectation that members further from retirement are more likely to elect to settle their pension benefit by a commuted value transfer, while members closer to retirement are more likely to elect to settle their pension benefit through a group annuity purchase where this option is available.

Provision for expenses

Allowance was made for normal administrative, actuarial, legal and other costs which would be incurred if the plan were to be wound up (excluding costs relating to the resolution of surplus or deficit issues). The actuarial valuation is premised on a scenario in which the employer continues to operate after the windup date. In establishing the allowance for plan windup costs, certain administrative costs were assumed to be paid from the pension fund (consistent with past practice) while other costs were assumed to be borne directly by the employer.

Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

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Solvency Incremental Cost Actuarial Assumptions

Demographic and Benefit Projection Actuarial Assumptions

Except as noted below, the projected population and benefits valued in the solvency liability projection are based on the demographic and benefit projection assumptions used for the going concern valuation described in Appendix C.

New entrants

No allowance has been made for new entrants between the current actuarial valuation date and next actuarial valuation date in the demographic projections on the basis that the plan is closed to new entrants.

Solvency Liability Projection Actuarial Assumptions

The solvency liability projections for purposes of calculating the solvency incremental cost are based on the assumptions used for the solvency valuation described previously.

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

E-1

Appendix E: Membership Data

Summary of Membership Data

Active and disabled members

	January 1, 2014	January 1, 2011
Defined Benefit Provision		
• Number	188	186
• Average age	45.2	44.4
• Average credited service	6.9	7.7
• Annual payroll	\$ 25,654,389	\$ 22,638,017
• Average salary	\$ 136,460	\$ 121,710
Defined Contribution Provision		
• Number	259	229

The following distribution relates to active and disabled members under the defined benefit provision. The following meanings have been assigned to age and credited service:

- Age Age as at January 1, 2014
- Credited Service Credited service as at January 1, 2014

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Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

Age	Credited Service							Total	
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34		35 +
< 25	2								2
25 - 29	12	2							14
30 - 34	9	5							14
35 - 39	12	10							22
40 - 44	18	7	6	4			1		36
45 - 49	17	13	9	2	2				43
50 - 54	15	4	2	3	3	1			28
55 - 59	7	5	3	2					17
60 - 64	5		3	1				2	11
65 +		1							1
Total	97	47	23	12	5	2			168

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

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Retired members and beneficiaries

	January 1, 2014	January 1, 2011
• Number	324	314
• Average age	72.1	70.2
• Total annual lifetime pension	\$ 5,907,882	\$ 5,880,593
• Total annual temporary pension to age 65	\$ 336,435	\$ 272,110
• Average annual pension (lifetime plus temporary)	\$ 18,234	\$ 19,595

Transferred and terminated vested members

	January 1, 2014	January 1, 2011
• Number	183	132
• Average age	49.1	49.4
• Total annual pension	\$ 708,349	\$ 504,185
• Average annual pension	\$ 3,871	\$ 3,820

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Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Natural Resources Inc.
Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

Review of Membership Data

The membership data with respect to the defined benefit provision were supplied by Cliffs Natural Resources Inc. as at January 1, 2014. The membership data with respect to the defined contribution provision were supplied by Sun Life Financial as at January 1, 2014.

The membership data have been relied upon by Towers Watson following tests for reasonableness and found to be sufficient and reliable for the purposes of the actuarial valuation. Elements of the data review included the following:

- ensuring that the data were intelligible (i.e., that an appropriate number of records was obtained, that the appropriate data fields were provided and that the data fields contained valid information);
- preparation and review of membership reconciliations to ascertain whether the complete membership of the plan appeared to be accounted for;
- review of consistency of individual data items and statistical summaries between the current actuarial valuation and the previous actuarial valuation;
- review of reasonableness of individual data items, statistical summaries and changes in such information since the previous actuarial valuation date; and
- comparison of the membership data and the plan's financial statements for consistency.

However, the tests conducted as part of the membership data review may not have captured certain deficiencies in the data. We have also relied on the certification of the plan administrator as to the quality of the data.

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

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Membership Reconciliation

	Active and disabled members	Retired members and beneficiaries	Transferred and terminated vested members
As at January 1, 2011	186	314	132
• New entrants (including re-employed)	107		
• Non-vested termination	(23)		
• Vested termination	(63)		63
• Settlement	(4)		(5)
• Transfer			
• Retirement	(14)	21	(7)
• New beneficiaries		6	
• Deceased (with beneficiary)		(6)	
• Deceased (without beneficiary)		(15)	
• Deceased (settlement)	(1)		
• Data correction		4	
• Net change	<u>2</u>	<u>10</u>	<u>51</u>
As at January 1, 2014	188	324	183

Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Webush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

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Appendix F: Summary of Plan Provisions

The following is an outline of the principal features of the plan which are of financial significance to valuing the plan benefits. For a detailed description of the benefits, please refer to the plan document.

Plan Effective Date

The Plan was restated effective January 1, 1997. Predecessor arrangements date back to July 1, 1963.

Date of Last Amendment

November 26, 2010 (update to defined contribution default investment option). The plan will be further amended to reflect regulatory updates since the last restatement of the text and the closing of the plan to new members, effective January 1, 2013.

Definitions

Credited Service

Service while a member of the Plan.

Pensionable Earnings

Basic remuneration, including overtime (for periods prior to June 23, 2008), shift premiums and cash bonuses. Excludes stock options, severance payments and all other non-cash benefits.

Plan Participation

All employees who are not within the bargaining unit are required to join the Plan on their date of employment.

Normal Retirement

Eligibility

Age 65.

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Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Cliffs Natural Resources Inc.
Actuarial valuation as at January 1, 2014

Effective January 1, 1997 existing plan members were offered a one-time choice between two pension options, Option A or B. All future new hires from January 1, 1997 onward must enrol under Option B. As at January 1, 2011, there are no remaining members in active status, with coverage under Option A.

Option B offers a combination of Defined Benefit coverage (for past service and future service) and Defined Contribution coverage (for future service, from January 1, 1997 onward), as follows:

Basic Annual Pension, Defined Benefit

The annual pension benefit payable on normal retirement is the sum of (i) and (ii):

- (i) the sum of 1.5% of highest 5-year average earnings up to the YMPE plus 1.6% of highest 5-year average earnings over the YMPE, for each year of credited service prior to January 1, 1997;
- (ii) 1.0% of highest 5-year average earnings for each year of credited service after December 31, 1996.

However, the pension payable on normal retirement will not be less than the amount that would be payable, if the member had been a member of Option B of the Bargaining Unit plan sponsored by the company instead of this salaried employees plan, plus the amount of pension which could be purchased with the employee's required contributions with interest.

In addition, a "make-up benefit" is payable to salaried employees who have a frozen monthly lifetime benefit under the Bargaining Unit plan (in respect of a period of Bargaining Unit credited service prior to becoming a salaried employee). The make-up benefit is based on the difference between the Bargaining Unit plan's current lifetime benefit rates under Option B and the benefit rates that were in effect at the time of the employee's transfer to salaried status.

Member Contributions

Prior to January 1, 1997, 1.2% of earnings up to the YMPE and 3.0% of earnings above the YMPE.

Effective January 1, 1997, employees covered under Option B ceased contributing toward the Defined Benefit component of the plan; from 1997 onward, employees covered under Option B contribute 2% of earnings per annum to a Defined Contribution component of the Plan, and are entitled to a contribution made by the Company of 3% of earnings per annum. Effective May 1, 2007, contributions to the Defined Contribution component of the Plan were increased to 3% of earnings from the employees and 6% of earnings from the Company.

Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

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The Defined Contribution account balance, including investment earnings thereon, will be used at retirement to provide additional pension income.

Early Retirement

Please refer to the summary in Appendix D.

In addition to lifetime retirement benefits, employees who retire early from active status will receive a monthly supplement, payable to age 65, of \$18.00 per year of service (to a maximum of 40 years of service). The \$18.00 multiplier is increased to \$27.00, for employees who retire from active status at age 60 or later with 30 or more years of credited service, or at any age with 35 or more years of credited service.

Postponed Retirement

Eligibility

Up to age 71 if continued employment with the Company.

Benefit

Continued accrual of benefits for non-Quebec members. Revalorized pension determined for Quebec members.

Termination of Employment

Eligibility

All active plan members in Newfoundland are vested (in respect of their Defined Benefit entitlements) after two years of plan membership. All active plan members in Quebec are vested immediately (in accordance with Bill 102).

Defined Contribution entitlements are immediately vested, regardless of the number of years of service.

Benefit

Defined Benefit pension at normal retirement date, based on service at termination. Upon earlier retirement, the pension is actuarially reduced (or is subject to a 6% reduction per annum pre-65, with 15 or more years of continuous service). Effective January 1, 2001, for terminating active Quebec

Contributory Pension Plan for Salaried Employees of Wabush Minas, Cliffs Mining Company, Managing Agent
Cliffs Natural Resources Inc.
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members, the pension for post-2000 credited service is subject to adjustment, in accordance with Quebec Bill 102. In lieu of the monthly benefit, the participant may transfer the commuted value of the benefit to a locked-in RRSP or other registered vehicle.

Defined Contribution account balances may be transferred to a locked-in RRSP or other registered vehicle.

Death While Active – Surviving Spouse Coverage

Eligibility

15 years of service, with spouse.

Benefit

Benefit payable is 50% (before any reduction) of the accrued monthly Defined Benefit or \$140 if greater, and is payable during the spouse's remaining lifetime.

Death While Active – Optional Pre-Pension Spouse Coverage

Eligibility

Age 55 and 15 years of service, with spouse, and member has elected coverage.

Benefit

Benefit payable is 50% (before any reduction) of the accrued monthly Defined Benefit, and is payable during the spouse's remaining lifetime. If the member subsequently survives to retirement, his retirement benefit will be reduced by 0.68% for each year this coverage was in effect.

Minimum Death Benefit

Eligibility

Two or more years of plan membership.

Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

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Benefit

The commuted value of the Defined Benefit earned after January 1, 1990 to the date of death is payable to the spouse or, if applicable, designated beneficiary. If the spouse is the recipient, the spouse will have the option of taking the commuted value in the form of a monthly pension.

If less than two years of plan membership, refund of Defined Benefit member contributions with interest. Effective January 1, 2001, immediate vesting is provided upon the death of active Quebec members, in accordance with Bill 102.

In addition, the full Defined Contribution account balance, with investment earnings, will be vested, regardless of the number of years of service.

Forms of Payment

Normal Form

Annuity for life, with 50% of the lifetime benefit continuing to the spouse if the retired employee dies before age 65; refund of any contributions with interest in excess of benefits paid out.

Optional Forms

For married participants, the automatic option is a reduced 60% joint and survivor pension, actuarially equivalent to the normal form. Other options are also available on an actuarially equivalent basis.

Disability Benefit

While benefits are payable from the LTD plan, pension benefits continue to accrue under the Defined Benefit provisions based on the earnings rate at the time of disability. Company contributions continue under the Defined Contribution provisions, if the member elects to contribute.

Special Provisions on Mine Shut-Down

The special benefits payable on shut-down of the mine are described in Appendix D.

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

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Appendix G: Solvency Ratio

Solvency Ratio

	January 1, 2014
Solvency value of assets	\$ 83,533,274
Solvency liability	\$ 94,004,606
Solvency ratio	89%

Comments:

- The solvency value of assets reflects net outstanding amounts.
- For purposes of calculating the solvency ratio, the solvency value of assets and the solvency liability exclude assets under the defined contribution provision.
- As the degree of solvency is less than 1.00, transfer deficiencies must be paid over a maximum period of five years unless the cumulative transfer deficiencies are within the limits prescribed by the Regulation to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)* or the employer remits additional contributions in respect of the transfer deficiencies. Pursuant to Regulations 15(4) or 15(5) to the *Pension Benefits Act, 1997 (Newfoundland and Labrador)*, approval of the Superintendent will be required to make commuted value transfers if there has been a significant decline in the solvency ratio after the valuation date.

Cliffs Natural Resources Inc.
 Contributory Pension Plan for Salaried Employees of Webush Mines, Cliffs Mining Company, Managing Agent
 Actuarial valuation as at January 1, 2014

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Appendix H: Certificate of the Plan Administrator

I hereby certify that to the best of my knowledge and belief:

- the significant terms of engagement contained in Appendix A of this report are accurate and reflect the plan administrator's judgement of the plan provisions and/or an appropriate basis for the actuarial valuation of the plan;
- the information on plan assets forwarded to Société Towers Watson Canada Inc. and summarized in Appendix B of this report is complete and accurate;
- the data forwarded to Société Towers Watson Canada inc. and summarized in Appendix E of this report are a complete and accurate description of all persons who are members of the plan, including beneficiaries who are in receipt of a retirement income, in respect of service up to the date of the actuarial valuation;
- the summary of plan provisions contained in Appendix F of this report is accurate; and
- except as noted in the Introduction of the report, there have been no events which occurred between the actuarial valuation date and the date this actuarial valuation was completed that may have a material financial effect on the actuarial valuation.

Martine Brodeur
 Signature

2014-09-29
 Date

MARTINE BRODEUR
 Name

Manager, Compensation + Benefit, etc
 Title

Cliffs Natural Resources Inc.
Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent
Actuarial valuation as at January 1, 2014

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Appendix I: Actuarial Information Summary

I. Actuarial basis for going-concern valuation (cont'd)

Selected actuarial assumptions

Where a flat rate is used, enter the rate under "Ultimate rate" and "N/A" under "Initial rate" and "Number of years."

Valuation interest rate

- 025. Active members
- 026. Retired members
- 027. Rate of indexation *pre-ret index Bill 102*
- 028. Rate of general wage and salary increase
- 029. YMPE escalation rate
- 030. Income Tax Regulations' maximum pension limit escalation
- 031. Rate of CPI increase

Initial rate	Number of years*	Ultimate rate
N/A %		6.25 %
N/A %		6.25 %
N/A %		1.25 %
N/A %		5.00 %
N/A %		3.50 %
N/A %		3.50 %
N/A %		2.50 %

* from valuation date before ultimate rate becomes effective

035. Year income Tax Regulations' maximum pension limit escalation commences 2015

036. Mortality table

- 1994 GAM Static
- 80% of 1993 GAM
- 1994 Group Annuity Reserving (GAR)
- Other (specify) 2014 CPM Table
- 1994 UP

036a. Generational Mortality Table

Has an assumption of generational mortality improvements been made? Yes No

036b. Projected Mortality Table

Has a projection of mortality improvements been made? Yes No

036b.(i) If yes, what is the year to which the mortality improvements have been projected (see instructions)? YYYY

037. Allowance for promotion, seniority and merit increases

- Included in (line 028) above
- Separate scale based on age or service
- No allowance

038. Allowance for expenses

038a. Allowance for investment expenses

- Implicit
- Explicit

038b. Allowance for administrative expenses

- Implicit
- Explicit

039. If a multi-employer plan, number of hours of work per member per plan year

040. Was a withdrawal scale used? Yes No

041. Were variable retirement rates used? Yes No

042. If no, what is the assumed retirement age? _____

J. Actuarial basis for solvency valuation

Valuation interest rate

- 045. Benefits to be settled by lump sum transfer
- 046. Benefits to be settled by purchase of deferred annuity
- 047. Benefits to be settled by purchase of immediate annuity
- 048. Rate of indexation *pre-ret index Bill 102*

Initial rate	Select period	Ultimate rate
3.10 %	10	4.60 %
N/A %	N/A	3.80 %
N/A %	N/A	3.80 %
0.68 %	10	1.06 %

049. Mortality table 1994 UP Generational 1994 UP Other (specify) _____

049a. Year of projection (see instructions) YYYY

K. Balance sheet information (DB provisions, see instructions)

050. Market value of assets, adjusted for receivables and payables 83,733,274

051. Amount of contributions receivable included in market value above 0

Going-concern valuation

052. Going-concern assets 79,802,299

053. Optional ancillary contributions account balance included in going-concern assets above for a flexible pension plan (if applicable) 0

Going-concern liabilities

050. For active members 17,367,021

051. For retired members 64,954,532

052. For other participants 3,809,146

053. For optional ancillary benefits to be provided under a flexible pension plan (if applicable) 0

054. Other reserve 0

K. Balance sheet information (DE provisions, see instructions) (cont'd)

070. Net funded position—surplus/deficit	-8,328,460
071. Additional voluntary contributions	0
072. Money purchase assets (if applicable)	13,450,481

Solvency Valuation

Complete lines 080 to 106 only if the report contains an explicit solvency valuation

Solvency Assets

080. Solvency assets with adjustment for expense provision, if any	83,523,274
081. Amount of wind-up expense provision reflected in line 080	200,000
082. Optional ancillary contributions account balance included in solvency assets above for a flexible pension plan (if applicable)	0

Solvency Liabilities

089. For active members	13,082,660
091. For retired members	75,182,832
092. For other participants	5,738,114
093. For optional ancillary benefits to be provided under a flexible pension plan (if applicable)	0
094. Other reserve	0
106. Net solvency position—surplus/deficit	-10,471,232

If the plan provides benefit increases coming into effect during the period covered by the report but after the valuation date, have those increases been reflected in:

102. The going-concern liabilities in lines 080 to 094?	<input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
103. The solvency liabilities in lines 089 to 094?	<input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No

L. Actuarial gains or losses

110. Was a gain or loss analysis done?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
--	---	-----------------------------

111. If line 110 is yes, indicate the date of the last full funding valuation report and the net funded position as at that date	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td>YY</td><td>MM</td><td>DD</td> </tr> <tr> <td>2 0 1 1</td> <td>0 1</td> <td>0 1</td> </tr> </table>	YY	MM	DD	2 0 1 1	0 1	0 1	132,297
YY	MM	DD						
2 0 1 1	0 1	0 1						

If line 110 is yes, indicate amount of gain or loss due to:

112. Interest on surplus (unfunded liability)	25,271
113. special payments made	5,576,072
114. amounts used for contribution holiday	0
116. change in actuarial assumptions	-3,132,684
116. change in the asset valuation method	0
117. change in liability valuation method	0
118. plan amendments/changes	0
119. investment experience	-7,333,835
120. retirement experience	-609,607
121. mortality experience	-786,201
122. withdrawal experience	1,725,927
123. salary increase experience	90,364
124. optional ancillary contributions forfeited	0

Are there major contributing sources other than lines 113 to 124 above (if yes, specify)

125. New entrant gains (losses)	-2,185,605
126. Data Corrections gains (losses)	-152,096
127. all other sources (combined)	239,397

M. Subsequent events

128. Are there any subsequent events that have not been reflected in the valuation? (refer to the SOP)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
--	---	-----------------------------

N. Statements of opinion

129. Does the report include the statements of opinion required by the SOP (data, assumptions, methods, accepted actuarial practice)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
129a. Are any of the actuary's statements of opinion qualified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Part III - Information required by the Financial Services Commission of Ontario

Financial Services Commission of Ontario



Commission des services financiers de l'Ontario

D. Additional valuation information

Going-concern valuation

140. Have escalated adjustments been included in going-concern liabilities? [] N/A [] Yes [] No

Solvency valuation

141. Have any of the excludable benefits been excluded? [] N/A [] Yes [] No

142. If line 141 is yes, enter the total amount of liabilities being excluded

143. With respect to the type of benefits provided under the plan for service after the valuation date, complete the following table:

Table with 3 columns: Provision Type, Benefit Accruals for Service After Valuation Date (Yes/No), Closed (Yes/No). Rows include Defined Benefit and Defined Contribution.

144. (I) Has an averaging method been applied to the market value of assets in determining the solvency asset adjustment? [] Yes [] No

a. If line (I) is yes, indicate the positive or negative amount by which the solvency assets are adjusted as a result of applying the averaging method

(II) Has the averaging method used in determining the solvency asset adjustment changed since the last valuation? [] Yes [] No

If line (II) is yes, complete (II)a or (II)b, as appropriate:

a. The change in method increases solvency asset adjustment by the amount of

b. The change in method decreases solvency asset adjustment by the amount of

P. Miscellaneous

145. Prior year credit balance

146. Transfer ratio (express in decimal format)

Guarantee fund assessment

147. PBGF liabilities

148. PBGF assessment base

149. Amount of additional liability for plant closure and/or permanent layoff benefits as described in clause 57(4)(a)(i)(A) of Regulation 909, R.R.O. 1990, as amended

149a. Number of Ontario plan beneficiaries

Part IV - Information required by the Office of the Superintendent of Financial Institutions Canada



Office of the Superintendent of Financial Institutions Canada

Bureau du surintendant des institutions financières du Canada

Q. Additional solvency valuation information

150a. Adjusted Solvency Ratio at the valuation date

150b. Adjusted Solvency Ratio one year prior (the prior valuation date)

150c. Adjusted Solvency Ratio two years prior (the prior second valuation date)

151. Average Solvency Ratio

152a. Solvency Liabilities

152b. Adjusted Solvency Asset Amount

152c. Solvency Deficiency

153. Value of the Letters of Credit included in solvency assets on the valuation date

154. Solvency ratio (express in decimal format)

152. Liability for active members who are within 10 years of pensionable age and whose entitlement is valued at an interest rate basis stated on line 045

153. Liability for active members who are within 10 years of pensionable age and whose entitlement is valued at an interest rate basis stated on line 045

154. Liability for active members who are not within 10 years of pensionable age

165. Pensionable age:

a. May a member become entitled – with no employer consent required – to an unreduced retirement pension prior to the normal retirement age? Yes No

b. If yes to a., state the applicable age and service conditions:

	Age requirement	Service requirement		Age requirement	Service requirement
Active members	1) _____	_____	Deferred vested members	1) _____	_____
	2) _____	_____		2) _____	_____
	3) _____	_____		3) _____	_____
	4) _____	_____		4) _____	_____
	5) _____	_____		5) _____	_____

c. Are these benefits reflected in the agency valuation? N/A Yes No

166. Do the liabilities determined in the report include the impact of one or several plan amendments that affect the value of benefits having accrued prior to the report's valuation date, and which were not included in the prior report? Yes No

167. Does the report account for one or several plan amendments that affect only the cost of benefits that will accrue after the report's valuation date, and which were not included in the prior report? Yes No

168. If the answer to either question 166 or 167 is yes, provide the amendment number and effective date: _____ Amendment number

YYYY	MM	DD

Effective date

Part V – Information required by the Canada Revenue Agency

R. Additional information

173. Surplus/deficit determined at the valuation date as per the instructions:

173a. Going-concern basis	-6,328,400
173b. Wind-up basis	-10,718,471
173c. For designated plans, maximum funding valuation basis	_____

174. Excess surplus determined at the valuation date:

174a. Going-concern basis	0
174b. For designated plans, maximum funding valuation basis	_____

175. For designated plans, employer normal cost determined under the maximum funding valuation basis:

Period 1	_____
Period 2	_____
Period 3	_____
Period 4	_____

176. Minimum surplus required under applicable pension benefit legislation before contribution holiday:

176a. Going-concern basis	0
176b. Wind-up basis	0

177. Maximum amount that could be claimed as eligible employer contribution(s) – defined benefit provisions – under subsection 147.2(2) of the Income Tax Act

177a. Unfunded liability	10,718,471
177b. Normal cost:	
Period 1	1,524,956
Period 2	1,169,161
Period 3	1,227,724
Period 4	_____

Part VI – Information required by the Régie des rentes du Québec

Régie des rentes
Québec

S. Additional Information

185. Date on which the valuation report was prepared YYYY MM DD
186. Value of additional obligations arising from an amendment on a funding basis
187. Value of additional obligations arising from an amendment on a solvency basis
188. Surplus assets that can be appropriated to the payment of employer contributions
189. Special amortization payments
190. Total of the letters of credit taken into account in the assets on a solvency basis
191. Pensions insured by an insurer taken into account in the actuarial valuation on a solvency basis

T. Additional information for plans whose employer is a municipality, a municipal housing bureau, an educational institution at the university level, or a childcare service

195. Reserve on a funding basis
196. Provision for adverse deviations on a funding basis

	Present value	Amortization payments		
		Period 1	Period 2	Period 3
197. Technical funding deficiency				
198. Improvement funding deficiency				

U. Additional information pertaining to pension plans other than those mentioned in section T

200. Reserve on a solvency basis
201. Provision for adverse deviations on a solvency basis

	Present value	Amortization payments		
		Period 1	Period 2	Period 3
202. Funding deficiency				
203. Technical solvency deficiency				
204. Improvement solvency deficiency				

Part VII – Certification by Actuary

As the actuary who signed the funding valuation report (the report), I certify that this completed form accurately reflects the information provided in the report.

Dated this 12 day of September, 2014

(day) (month) (year)


Signature of actuary

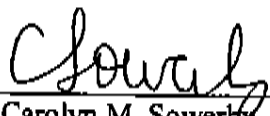
Julie Simard
Print or type name of actuary

Towers Watson
Name of firm

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**Contributory Pension Plan for Salaried Employees of
Wabush Mines, Cliffs Mining Company, Managing Agent
Arnaud Railway Company and
Wabush Lake Railway Company, Limited**

As Amended and Restated Effective as of January 1, 1997

**Revenue Canada / Canada Customs and Revenue Agency
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Section 1 — Amendment and Restatement

1.01 Amendment and Restatement

Effective as of January 1, 1997, the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited, Revenue Canada registration number 0343558, is amended and restated to allow active Members to choose, on a one-time-only basis, one of two forms of pension benefits:

- a Defined Benefit Provision; or
- a Defined Benefit Provision plus a Defined Contribution Provision.

For active Members who terminated employment, died or retired on or after October 1, 1996 and before January 1, 1997, the Defined Benefit Provision as described in this amended and restated plan text shall apply.

Section 2 — Definitions

The following words and phrases, when used in this Plan, shall have the following meanings unless the context clearly indicates otherwise:

2.01 Account

“Account” means, in respect of a Member, the account established to record the Member’s contributions pursuant to Sections 4.01(b), 4.01(c) and 4.03(a) and the Employer contributions pursuant to Sections 4.02(b), 4.03(b) and 4.04 plus any Credited Interest thereon.

2.02 Actuarial Equivalent

“Actuarial Equivalent” means, with respect to a benefit, the equivalent value, computed on the basis of actuarial assumptions last adopted for this purpose by the Employer on the recommendation of the Actuary. The determination of Actuarial Equivalent values shall not differentiate on the basis of gender, unless required by law.

2.03 Actuary

“Actuary” means the actuary or firm of actuaries retained by the Employer for the purposes of the Plan who is, or in the case of a firm of actuaries at least one of whom is, a Fellow of the Canadian Institute of Actuaries.

2.04 Approved Leave of Absence

“Approved Leave of Absence” means a period of paid or unpaid leave of absence authorized by the Employer for the purposes of the Plan.

2.05 Beneficiary

“Beneficiary” means the person last designated by a Member under Section 9.07 by written notice filed with the Employer to receive benefits payable from the Plan upon the Member’s death and who survives the Member.

2.06 Commuted Value

“Commuted Value” means, with respect to pension benefits that a person has a present or future entitlement to receive, a lump-sum amount of the Actuarial Equivalent value of said benefits as of a specified date as determined by the Actuary in accordance with the Recommendations for the Computation of Transfer Values from Registered Pension Plans issued by the Canadian Institute of Actuaries, or such other basis as may be permitted or required from time to time under the *Pension Benefits Act* and the *Income Tax Act*.

2.07 Continuous Service

- (a) "Continuous Service" means the period of regular employment with the Employer from the later of the date of commencement of employment with the Employer or the date of re-employment following the last break in service, if any and shall include service with any subsidiary, affiliated or predecessor employer designated by the Employer.
- (b) Continuous Service shall be broken by an Employee's resignation or other voluntary termination of employment or termination of employment by the Employer or retirement.
- (c) Notwithstanding (a) and (b) above, Employees with eight or more years of Continuous Service as of the date they become eligible for long term disability benefits pursuant to the Employer's program of insurance benefits shall continue to accrue Continuous Service until the earlier of 30 years of Credited Service, Normal Retirement Date, or the date the payment of or eligibility for such benefits ceases.
- (d) Notwithstanding (a) and (b) above, a break in Continuous Service shall occur as of the date:
 - (i) the Employee fails to return to work promptly at the termination of any leave of absence; or
 - (ii) the Employee has been absent from work due to disability for more than 1 year in the case of an Employee with less than 3 years' service at the beginning of the absence, and for more than 2 years in the case of other Employees unless such absence was due to a temporary Disability compensable under workers' compensation laws or similar law in the province of employment and the Employee returns to work within 30 days after the termination of weekly compensation payments in respect of the disability, unless otherwise provided for under (c) above.
- (e) Notwithstanding anything to the contrary in the Plan, a transfer of employment from one Employer to an affiliate or subsidiary of the Employer shall not constitute a break in Continuous Service for the purpose of determining eligibility for benefits pursuant to the Plan.

2.08 Credited Interest

With respect to the Defined Contribution Provision, "Credited Interest" means interest on the amount in a Member's Account including any additional voluntary contributions pursuant to Section 4, compounded annually and computed from the first day of the month following the month in which the contributions were made to the first day of the calendar month in which a determination thereof is to be made, at the rate equal to the rate of return calculated on the portion of the Pension Fund in which the Member's Account and the additional voluntary contributions are deposited. With respect to the Defined Benefit Provision, Credited Interest means interest at the rate of 3% per annum for all periods prior to January 1, 1971, 3 ½% per annum for the period January 1, 1971 through December 31, 1975, 5% per annum for the period January 1, 1976 through May 31, 1989 and the calendar year average of the yields of five-year personal fixed term chartered bank deposit rates published monthly in the Bank of Canada Review as CANSIM Series B14045 for the preceeding calendar year after May 31, 1989, compounded annually at the end of each calendar year and, on and after January 1, 1990, computed from the first day of the month following the month in which contributions were made to the date of retirement, death or other termination of employment.

2.09 Credited Service

- (a) "Credited Service" means a Member's years and completed calendar months (expressed as twelfths of a year) of Continuous Service during which the Member participated in or was credited with participation in the Plan. Credited Service shall also include periods during which a Member is on an Approved Leave of Absence. For the purposes of this section, a "completed calendar month" shall include a calendar month during which an employee has participated or was credited with participation in the Plan for 15 or more days in the month.
- (b) In no event shall the total period of unpaid Approved Leave of Absence on and after January 1, 1991 for the purposes of Credited Service exceed the sum of:
- (i) five years; and
 - (ii) the period of parenting as defined in the Income Tax Act, subject to a maximum of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- The limitation on Credited Service set out in this Section 2.09(b) shall not apply to a period of disability.

2.10 Deferred Vested Termination Date

"Deferred Vested Termination Date" means the date described in Section 5.05.

2.11 Defined Benefit Provision

"Defined Benefit Provision" means the pension benefits calculated with reference to Section 6.01(a) and Section 6.01(b)(i) and excludes the pension benefits derived from the Defined Contribution Provision.

2.12 Defined Contribution Provision

"Defined Contribution Provision" means the pension benefits derived from the Members' contributions made pursuant to Section 4.01(b), 4.03(a), and the Employer's contributions made pursuant to Section 4.02(b), 4.03(b) and 4.04, and as calculated with reference to Section

6.01(b)(ii) and excludes the pension benefits derived from the Defined Benefit Provision .

2.13 Disability or Disabled

“Disability ” or “Disabled” means, suffering from a physical or mental impairment, as certified by a medical doctor, that prevents an Employee from performing the duties of employment in which the Employee was engaged before the commencement of the impairment.

2.14 Early Retirement Date

“Early Retirement Date” means the date of a Member’s early retirement pursuant to Section 5.02.

2.15 Earnings

“Earnings” means the base salary paid by the Employer to a Member, including taxable income from cost of living adjustments, overtime pay, Sunday, shift and holiday premium payments, cash bonuses, the Northern allowance, and special vacation, regular vacation, and out-of-season vacation bonus pay. Earnings excludes lump sum payments paid to an individual as a consequence of the termination of employment of the individual and all other forms of remuneration, including but not limited to, all non-cash benefits, any remuneration resulting from the exercise of a qualified stock option, incentive stock option or other stock option or appreciation right, and all allowances (except the Northern allowance), including but not limited to, the housing, travel and tax equalization allowances. In determining the Earnings of a Member during a calendar month, the Earnings in the calendar year shall be divided by twelve.

2.16 Effective Date

“Effective Date” means January 1, 1982.

2.17 Employee

“Employee” means an individual who is employed by the Employer and receives a salary.

2.18 Employer

“Employer” means Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited.

2.19 Final Average Earnings

"Final Average Earnings" means the highest average annual Earnings of a Member during any 60 consecutive months of the last 120 full calendar months of Credited Service, excluding periods of layoff, immediately preceding the date of retirement, termination or death, whichever occurs first, except in the case of a Disabled Member, where Final Average Earnings shall be determined based on Earnings and Credited Service prior to the date the Member becomes Disabled. If, during the last ten consecutive calendar years of Credited Service, the Member was absent from work without pay or with reduced pay because of layoff, the references to "60 consecutive months" in this definition shall be read as the "number of months not exceeding 60".

2.20 Funding Agency

"Funding Agency" means the trust company or insurance company, or any successor trust or insurance company, the Employer may appoint from time to time to hold, invest and administer the assets in the Pension Fund.

2.21 Funding Agreement

"Funding Agreement" means the agreement entered into between the Employer and the Funding Agency governing the custody, investment and administration of the assets in the Pension Fund.

2.22 Income Tax Act

"Income Tax Act" means the *Income Tax Act (Canada)*, as amended from time to time, the regulations made thereunder and the information circulars, interpretation bulletins and published administrative guidelines of Revenue Canada or any successor thereto.

2.23 Member

"Member" means an Employee who has been enrolled in the Plan pursuant to Section 3 and who continues to have rights or contingent rights to benefits pursuant to the Plan. "Member" includes a former Employee who has retired or terminated employment with the Employer but who retains a right to benefits pursuant to the Plan.

2.24 Normal Retirement Date

"Normal Retirement Date" means the date of a Member's normal retirement pursuant to Section 5.01.

2.25 Pension Benefits Act

"Pension Benefits Act" means the Newfoundland *Pension Benefits Act 1997*, S.N. 1996, c.P-4.01, as amended from time to time, and the Regulations thereunder as well as any similar statute applicable in a particular circumstance and any regulation pursuant thereto adopted by the federal or any provincial government.

2.26 Pension Commencement Date

“Pension Commencement Date” means the date upon which a Member’s payment of pension benefits is due to commence.

2.27 Pension Committee

“Pension Committee” means the committee described in Section 11.

2.28 Pension Fund

“Pension Fund” means the fund established pursuant to the terms of the Plan and the Funding Agreement to which all contributions under the Plan are made and from which the benefits and expenses of the Plan are paid.

2.29 Plan

“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.

2.30 Plan Year

“Plan Year” means each 12 month period ending December 31.

2.31 Pre-Pension Spouse Coverage

“Pre-Pension Spouse Coverage” means the optional benefit pursuant to Section 8.03.

2.32 Québec Member

“Québec Member” means a Member who reports for work in the Province of Québec.

2.33 Special Early Retirement Date

“Special Early Retirement Date” means the date of a Member’s special early retirement pursuant to Section 5.03.

2.34 Special Postponed Retirement Date

“Special Postponed Retirement Date” means the date of a Member’s special postponed retirement pursuant to Section 5.04.

2.35 Spouse

“Spouse” means a person of the opposite sex of a Member who, on the date of determination of marital status, either:

- (a) is legally married to the Member and is not living separate and apart from the Member;
- (b) is not legally married to the Member but who has been living with the Member in a conjugal relationship continuously for a period of at least 3 years; or
- (c) is not legally married to the Member, but who is living with the Member in a conjugal

relationship continuously for a period of at least one year and who, together with the Member, is the natural or adoptive parent of a child, both as defined in applicable family law legislation.

It is provided, however, that a person described in (b) or (c) above shall not be considered the Spouse of the Member for the purposes of the Plan if there is also a legal Spouse pursuant to (a) above, unless the Member has submitted a written election to the contrary to the Employer. With respect to same-sex spouses or equivalent, effective June 16, 1999, the definition set out in this section shall not apply where prohibited by the Pension Benefits Act in which case such other definition of spouse or equivalent as set out in the Pension Benefits Act shall apply.

2.36 Surplus Assets

“Surplus Assets” means, at any particular point in time, the excess of assets in the Pension Fund over the liabilities of the Plan, as determined by the Actuary. The assets and liabilities shall be as set out in the most recent going concern valuation report with respect to the determination of Surplus Assets on a going concern basis or the most recent wind-up valuation report with respect to the determination of Surplus Assets on a wind-up basis, as the case may be, filed with the applicable regulatory authorities.

2.37 YMPE

“YMPE” means the Year’s Maximum Pensionable Earnings as defined in the *Canada Pension Plan* or the *Québec Pension Plan*, as applicable.

Words importing the singular number shall include the plural and vice versa depending upon the context.

Section 3 — Membership

3.01 Immediate Membership

A person who is hired by the Employer as an Employee shall join the Plan as of the Employee's date of hire.

3.02 Opting Out of Membership Not Permitted

A Member shall not discontinue or suspend his or her membership in the Plan while the Member is an Employee.

3.03 Change of Employment Status

If a Member's employment status with the Employer changes such that the Member is no longer an Employee, the Member's active participation in the Plan shall cease as of the date of said change in status and the Member shall cease to accrue further benefits pursuant to the Plan as of the date of said change in status.

3.04 Participation in Defined Benefit Provision and Defined Contribution Provision

(a) Current Members

An Employee who is a Member as of December 31, 1996 shall participate in the Defined Benefit Provision and may elect to participate in the Defined Contribution Provision, effective as of January 1, 1997, by completing the form prescribed by the Employer.

(b) New Members

An Employee who becomes a Member on or after January 1, 1997 shall participate in both the Defined Benefit Provision and the Defined Contribution Provision, effective as of the date the Employee becomes a Member.

3.05 Transfers of Employment

(a) A Member who ceases to be an Employee, but who remains employed with the Employer, shall cease accruing benefits pursuant to the Plan; however, such Member shall remain eligible to receive the benefits accrued pursuant to the Plan upon his or her subsequent termination of employment, retirement or death. Employment with the Employer in a capacity other than as an Employee shall continue to count as Continuous Service for the purpose of vesting of benefits, eligibility for retirement, and pre-retirement death benefits, but not as Credited Service for benefit calculation purposes pursuant to the Plan.

- (b) Should an employee of the Employer transfer to a position in which the employee is classified as an Employee pursuant to the Plan, any pension benefits to which the employee is entitled by reason of his or her prior service shall be dealt with pursuant to any pension plan applicable to his or her prior employment. For the purposes of the Plan, such prior service shall be counted as Continuous Service for the purposes of eligibility for participation and benefits, but not as Credited Service for the purposes of benefit calculation.

Section 4 — Contributions

4.01 Member Contributions

(a) Defined Benefit Provision

Members who elect not to participate in the Defined Contribution Provision shall contribute 2% of their Earnings to the Defined Benefit Provision of the Plan by payroll deduction. Once a Member has acquired 30 years of Credited Service, no further contributions shall be required of such Member.

(b) Defined Contribution Provision

A Member who elects to participate in the Defined Contribution Provision of the Plan shall contribute 2% of Earnings to his or her Account by payroll deduction.

(c) Additional Voluntary Contributions

A Member who participates in the Defined Contribution Provision may, in addition to the contributions pursuant to (b) above, make additional voluntary contributions to the Member's Account, by payroll deduction, up to such amounts as are permissible pursuant to the *Income Tax Act* as deductible contributions to a registered pension plan.

(d) Remittance of Contributions

The Employer shall remit Member contributions pursuant to (a) not later than the date specified in the *Pension Benefits Act*, pursuant to (b) and (c) as early as 7 days following the pay date on which they fall due but in any event not later than the date specified in the *Pension Benefits Act*.

4.02 Employer Contributions

The Employer shall have no liability to make any payments to the Pension Fund except as expressly provided in the Plan.

(a) Defined Benefit Provision

(i) The Employer shall contribute to the Pension Fund in respect of the Defined Benefit Provision in such amount, based on the latest actuarial valuation report prepared by the Actuary and filed with the Newfoundland pension regulatory authority and Revenue Canada, as is required to provide for the normal cost of benefits accruing in the current Plan Year, after taking into account the assets of the Pension Fund and all other relevant factors, and to provide for the proper amortization of all unfunded liabilities and solvency deficiencies, if any, in accordance with the *Pension Benefits Act* and subject to subsection 147.2(2) of the *Income Tax Act*.

(ii) The employer shall not contribute any amount to the Pension Fund which is not permissible pursuant to subsection 147.2(2) of the *Income Tax Act*.

(b) Defined Contribution Provision

The Employer shall contribute each payroll period to the Account of each Member who participates in the Defined Contribution Provision an amount equal to 3% of the Member's Earnings.

(c) Remittance of Contributions

The Employer shall remit its contributions in respect of the Defined Benefit Provision in accordance with the Pension Benefits Act, and shall remit its contributions in respect of the Defined Contribution Provision as soon as practical but not later than the date specified in the Pension Benefits Act.

4.03 Contributions Under Defined Contribution Provision During Approved Leaves of Absence

(a) Member Contributions

(i) A Member who participates in the Defined Contribution Provision and who is on an Approved Leave of Absence may continue to contribute to the Member's Account pursuant to Section 4.01 (b). Alternatively, the Member may contribute a lesser amount or may cease contributing to the Member's Account. Prior to commencing the Approved Leave of Absence, the Member shall inform the Employer in writing of the amount of the Member's contributions. The contributions shall be made by payroll deduction or, if such method of payment is not possible, by delivering to the Employer post-dated cheques in respect of each month of the Approved Leave of Absence.

(ii) In lieu of contributing to the Member's Account during an Approved Leave of Absence, the Member may instead elect to contribute to the Member's Account immediately upon returning to work from an Approved Leave of Absence. In such case, the Member may elect to contribute the amount which he would have otherwise contributed pursuant to Section 4.01(b) or a lesser amount, and the Member shall make such contributions within the lesser of the period of time equal to the period of the Approved Leave of Absence or 12 months.

(b) Employer Contributions

The Employer shall contribute to the Pension Fund in respect of the Defined Contribution Provision pursuant to Section 4.02 in respect of a Member who participates in the Defined Contribution Provision and who is on an Approved Leave of Absence; however, if a Member elects to contribute a lesser amount than prescribed pursuant to Section 4.01 (b), the Employer's contributions shall be reduced proportionately. The Employer shall not contribute in respect of a Member who elects to cease contributing to the Member's Account during an Approved Leave of Absence. Depending on the manner in which the Member elects to contribute to the Member's Account pursuant to subparagraph (a)(i) or (a)(ii) above, the Employer shall contribute to the Member's Account accordingly.

4.04 Application of Surplus Assets

In the event there are Surplus Assets in the Pension Fund, the Employer may in its sole discretion apply the Surplus Assets or any portion of the Surplus Assets toward the amount of Employer contributions pursuant to Section 4.02 or Section 4.03.

4.05 Transitional Provision

Any Member who elected to participate in the Defined Contribution Provision pursuant to Section 3.04(a) and who made contributions to the Plan prior to January 1, 1991 shall have such contributions, along with Credited Interest, transferred to his or her Member Account.

4.06 Maximum Contributions Under Defined Contribution Provision

The total of the contributions by a Member to the Pension Fund pursuant to Sections 4.01 and 4.03 above and the Employer's contributions in respect of the Member pursuant to Section 4.02 and Section 4.03 above for a calendar year shall not exceed the money purchase limit for the calendar year as prescribed under the *Income Tax Act*.

Section 5 — Retirement Dates

5.01 Normal Retirement Date

A Member's Normal Retirement Date shall be the first day of the month following the Member's attainment of age 65.

5.02 Early Retirement Date

A Member's Early Retirement Date shall be the date of a Member's retirement from the Employer on the first day of any month prior to the Member's Normal Retirement Date and after the Member has met one or both of the following requirements:

- (a) completion of at least 30 years of Continuous Service; or
- (b) attainment of at least age 55 and completion of at least 15 years of Continuous Service.

5.03 Special Early Retirement Date

A Member's Special Early Retirement Date shall be the date of a Member's retirement from the Employer on the first day of any month prior to the Member's Normal Retirement Date and after the Member has either

- attained at least age 55 and completed at least 15 years of Continuous Service; or
- completed at least 15 years of Continuous Service and the sum of the Member's age and Continuous Service, in years and completed months, equals 80 or more; and

the Member has satisfied one or more of the following requirements:

- (a) the Member's Continuous Service is broken by reason of a permanent shutdown of the operations in which the Member is engaged, or by reason of a layoff or physical disability;
- (b) the Member's Continuous Service is not broken and the Member is absent from work by reason of:
 - (i) a layoff resulting from such permanent shutdown, or
 - (ii) a Disability or layoff other than a layoff resulting from such permanent shutdown and whose return to active employment is declared unlikely by the Employer; or

- (c) the Member considers that it would be in his or her interest to retire and the Employer considers that such retirement would likewise be in its interest and, by applying like rules in a nondiscriminatory manner to like or similar circumstances, approves an application for retirement under mutually satisfactory conditions.

5.04 Special Postponed Retirement Date

A Member may, with the consent of the Company, elect to retire on a Special Postponed Retirement Date, which shall be the first day of any month beyond the Member's Normal Retirement Date, provided, however, that the Member's retirement date for purposes of the Plan shall not be postponed beyond December 1st of the year the Member attains age 69.

5.05 Deferred Vested Termination Date

A Member's Deferred Vested Termination Date under the Defined Benefit Provision shall be the date of a Member's termination of employment with the Employer for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date or Special Early Retirement Date and after completion of at least (a) ten years of Continuous Service, in respect of benefits accrued prior to January 1, 1990, and (b) two years of Continuous Service, in respect of all other benefits.

A Member's deferred Vested Termination Date under the Defined Contribution Provision shall be the date of a Member's termination of employment with the Employer for any reason other than death, prior to the Normal Retirement Date, Early Retirement Date or Special Early Retirement Date and after the Member joins the Plan.

5.06 Eligibility

A Member shall be entitled to receive pension benefits pursuant to only one of Sections 5.01, 5.02, 5.03, 5.04 or 5.05.

Section 6 — Retirement Benefits

6.01 Normal and Special Postponed Retirement Benefits

(a) Members Who Do Not Participate in the Defined Contribution Provision

A Member who does not participate in the Defined Contribution Provision and who retires on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive an annual pension benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, equal to:

- (i) 1.7% multiplied by the Member's Final Average Earnings multiplied by the Member's years of Credited Service, plus 54%
- (ii) any additional benefits applicable pursuant to Sections 6.01(c) and 6.01(d).

(b) Members Who Participate in the Defined Contribution Provision

A Member who participates in the Defined Contribution Provision and who retires on the Member's Normal Retirement Date or Special Postponed Retirement Date shall be entitled to receive a benefit pursuant to (i) and (ii) below:

(i) Benefit in Respect of Defined Benefit Provision

An annual benefit payable in equal monthly instalments commencing on the Normal Retirement Date or Special Postponed Retirement Date, as the case may be, and continuing on the first day of each month thereafter, equal to:

- (A) 1.5% multiplied by the Member's Final Average Earnings up the YMPE multiplied by the Member's years of Credited Service prior to January 1, 1997

plus

1.6% multiplied by the Member's Final Average Earnings in excess of the YMPE multiplied by the Member's years of Credited Service prior to January 1, 1997; plus

- (B) 1.0% multiplied by the Member's Final Average Earnings multiplied by the Member's years of Credited Service on and after January 1, 1997; plus

- (C) any additional benefits applicable pursuant to Sections 6.01(c) and 6.01(d).

(ii) Benefit in Respect of Defined Contribution Provision

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

(c) Minimum Benefit

The annual pension benefit payable under this Section 6.01 in respect of the Defined Benefit Provision shall be at least equal to:

(i) the annual pension benefit which would be payable under Section 6.01 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, if the Member had been a member of that plan instead of this Plan in respect of his Credited Service, plus

(ii) an annual pension benefit, commencing on the Member's Normal Retirement Date and payable for life in accordance with Section 7.01, which is the Actuarial Equivalent of the Member's contributions in respect of the Defined Benefit Provision together with Credited Interest but excluding any amounts transferred to his or her Member Account under Section 4.05.

(d) Make-up Benefit

In the event a Member has transferred to the Plan from the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (the "bargaining unit plan") and his Continuous Service is terminated at a time when he has an entitlement to a deferred pension, he shall be eligible for a Make-up Benefit under the Plan, as set out in this Section 6.01(d). A Make-up Benefit shall be determined as a monthly amount determined by multiplying the Member's credited service under the bargaining unit plan by the lifetime benefit formula in effect under the bargaining unit at the time of the termination of Continuous Service under the Plan, less the frozen monthly lifetime benefit amount actually payable to the Member under the bargaining unit plan.

§.1

6.02 Early Retirement Benefits**(a) Members Who Do Not Participate in the Defined Contribution Provision**

A Member who does not participate in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on an Early Retirement Date and continuing on the first day of each month thereafter, calculated pursuant to one of the following:

- (i) If the Member has completed at least 30 years of Continuous Service, a pension benefit equal to the amount calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, without reduction on account of early commencement;
- (ii) If the Member has attained age 55 and completed at least 15 years of Continuous Service, a pension benefit calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Early Retirement Date, except the Member's pension benefit shall be reduced by $\frac{1}{2}\%$ for each month by which commencement of the Member's pension precedes his or her Normal Retirement Date. It is further provided that the amount of the reduction to the monthly benefit shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

(b) Members Who Participate in the Defined Contribution Provision

A Member who participates in the Defined Contribution Provision and who qualifies for a pension benefit commencing on an Early Retirement Date shall be entitled to receive a monthly pension benefit pursuant to (i) and (ii) below:

(i) Benefit in Respect of Defined Benefit Provision

A benefit payable in equal monthly instalments commencing on an Early Retirement Date and continuing on the first day of each month thereafter, equal to the pension described in (a) above that would be applicable to the Member if the references therein to "Section 6.01(a)" were changed to "Section 6.01(b)(i)".

(ii) Benefit in Respect of Defined Contribution Provision

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

6.03 Special Early Retirement Benefits

(a) Members Who Do Not Participate in the Defined Contribution Provision

A Member who does not participate in the Defined Contribution Provision and who qualifies for a pension benefit commencing on a Special Early Retirement Date shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on a Special Early Retirement Date and continuing on the first day of each month thereafter, equal to the pension calculated pursuant to Section 6.01(a), based on the Member's Credited Service to his or her Special Early Retirement Date, without reduction on account of early commencement except as required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

(b) Members Who Participate in the Defined Contribution Provision

A Member who participates in the Defined Contribution Provision and who qualifies for a pension benefit commencing on a Special Early Retirement Date shall be entitled to receive a monthly pension benefit pursuant to (i) and (ii) below:

(i) Benefit in Respect of Defined Benefit Provision

A benefit payable in equal monthly instalments commencing on a Special Early Retirement Date and continuing on the first day of each month thereafter, equal to the benefit described in (a) above that would be applicable to the Member if the reference therein in to "Section 6.01(a)" were changed to "Section 6.01(b)(i)".

(ii) Benefit in Respect of Defined Contribution Provision

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to Section 6.04(c).

6.04 Deferred Vested Retirement Benefits

A Member who terminates employment with the Employer on a Deferred Vested Termination Date shall be entitled to receive a monthly pension benefit pursuant to (a) and (b) below or, if the Member has not attained age 55 at the date of transfer, may transfer such benefit out of the Plan pursuant to (c) below. A Member who terminates employment with the Employer prior to a Deferred Vested Termination Date shall be entitled to the refund, if any, pursuant to (d) below.

(a) Benefit in Respect of Defined Benefit Provision

(i) A benefit payable in equal monthly instalments commencing on the Member's Normal Retirement Date and continuing on the first day of each month thereafter, equal to the amount of pension calculated pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever is applicable to the Member. The Member may elect to commence his or her pension prior to the Normal Retirement Date, on the first day of any month after attaining age 55, in which case the amount of pension payable from such earlier Pension Commencement Date shall be reduced by $\frac{1}{2}\%$ for each month by which commencement of the Member's pension precedes his or her Normal Retirement Date if the Member has 15 or more years of Continuous Service, or else shall be the Actuarial Equivalent of the amount of pension payable upon the Member's Normal Retirement Date, provided that the amount of reduction to the monthly pension shall not be less than required pursuant to regulation 8503(3)(c) of the *Income Tax Act* as described in Section 9.08(b).

(ii) Notwithstanding (i) above, the Member may elect to transfer the Commuted Value of the benefit pursuant to (i) above out of the Plan, pursuant to (c) below.

(b) Benefit in Respect of Defined Contribution Provision

A benefit equal to the amount in the Member's Account which may be transferred out of the Plan pursuant to (c) below.

(c) Transfer of Benefits Out of the Plan

The Commuted Value of a Member's accrued pension benefit in respect of the Defined Benefit Provision may be transferred out of the Plan and the amount in a Member's Account in respect of the Defined Contribution Provision may be transferred out of the Plan, to one of the retirement savings vehicles described in (i), (ii) and (iii) below, as elected by the Member on the form prescribed by the Employer and filed with the Employer within such time periods as prescribed by applicable provincial pension laws or at such other times as may be acceptable to the Employer:

- (i) a retirement savings plan, locked-in retirement account or life income fund, as prescribed by the *Pension Benefits Act*;
- (ii) the fund of another registered pension plan, if the other pension plan permits such a transfer; or
- (iii) a life insurance company licensed to transact business in Canada for the purpose of purchasing a deferred life annuity.

A transfer pursuant to (i), (ii) or (iii) above shall be made on a locked-in basis and the transferred amount shall be used to provide an annuity which shall not commence payment before the earliest date that the Member would have been entitled to receive a benefit pursuant to the Plan or, if transferred to another pension plan, under that plan.

In the event that a transfer is elected pursuant to this Section 6.04(c), the Member shall have no further rights under the Plan.

(d) Refund on Termination of Employment Prior to Deferred Vested Termination Date

A Member who terminates employment with the Employer prior to the completion of (a) ten years of Continuous Service, in respect of benefits accrued prior to January 1, 1990, and (b) two years of Continuous Service in respect of all other benefits, shall be entitled to

- (A) a benefit equal to the amount in the Member's Account, which may be transferred out of the Plan pursuant to (c) above, plus
- (B) a refund of his or her contributions made pursuant to Section 4.01 (a) and 4.03(a) plus Credited Interest thereon in the form of a lump sum payment.

6.05 Additional Voluntary Contributions

In addition to the benefits pursuant to Sections 6.01, 6.02, 6.03 and 6.04, a Member who participates in the Defined Contribution Provision and who has made additional voluntary contributions pursuant to Section 4.01(c) may be paid such contributions, plus Credited Interest thereon, in a lump sum payment at any time pursuant to the instructions of the Member or, in the alternative, the Member may elect to transfer such contributions plus Credited Interest thereon out of the Plan, pursuant to Section 6.04(c); however, such transfer shall not be on a locked-in basis.

6.06 Temporary Supplementary Benefit

A Member who qualifies for a pension benefit commencing on an Early Retirement Date or a Special Early Retirement Date shall be entitled to receive a temporary supplementary benefit payable in equal monthly instalments commencing on the Member's Early Retirement Date or Special Early Retirement Date, as the case may be, and continuing thereafter on the first day of each month, ending with the earlier of the month in which the Member attains age 65 and the month in which the Member dies, equal to one of the following, whichever is applicable to the Member:

- (i) \$18 multiplied by the Member's years of Credited Service, where the Member retires prior to attaining age 60 and has less than 35 years of Credited Service;
- (ii) \$27 multiplied by the Member's years of Credited Service to a maximum of 40 years, where the Member retires prior to attaining age 60 and has 35 or more years of Credited Service;
- (iii) \$18 multiplied by the Member's years of Credited Service, where the Member retires between ages 60 and 65 and has less than 30 years of Credited Service; or
- (iv) \$27 multiplied by the Member's years of Credited Service to a maximum of 40 years, where the Member retires between ages 60 and 65 and has 30 or more years of Credited Service.

If the Member retires on an Early Retirement Date and receives an annual pension pursuant to Sections 6.02(a)(ii), the amount of the temporary supplementary benefit shall be reduced by the same factors used to reduce the monthly pension payable under said provisions, whichever is applicable to the Member.

6.07 Retirement Benefits for Part-Time Employees

The retirement benefits pursuant to the Defined Benefit Provision calculated pursuant to this section in respect of a Member who is a part-time Employee shall be reduced in an equitable manner to an amount related to the hours worked by the Member in comparison to the hours worked by other Members who are employed as full-time Employees in a similar capacity.

6.08 Re-Employment After Retirement, Termination of Employment or Break In Continuous Service**(a) Re-Employment After Retirement**

A Member who has retired and is receiving pension benefit payments pursuant to the Plan shall, upon re-employment with the Employer as an Employee, have such payments suspended. The Member shall retain his or her frozen suspended pension benefit which shall be added to any subsequent pension benefit to which the Member may become entitled in respect of service subsequent to the Member's date of re-employment.

(b) Re-Employment After Termination of Employment But Prior to Retirement

A Member who has terminated employment with the Employer and is entitled to a deferred vested pension pursuant to the Plan and who is re-employed with the Employer as an Employee prior to commencing receipt of pension benefit payments shall retain his or her frozen deferred vested pension benefit, which shall be added to any subsequent pension benefit to which the Member may become entitled in respect of service subsequent to the Member's date of re-employment.

(c) Return to Work After Break in Continuous Service

An Employee who incurs a break in Continuous Service prior to becoming eligible for an immediate or deferred vested pension and who is re-employed by the Employer shall, upon completion of one year of Continuous Service following such re-employment, have such break in Continuous Service removed if the period of Continuous Service accrued prior to the break is in excess of the period between the break and the date of re-employment.

Section 7 — Forms of Pension Payment On Retirement

7.01 Normal Form of Payment

The normal form of payment of the pension benefit pursuant to the Defined Benefit Provision shall be a lifetime pension payable in equal monthly instalments, ceasing with the payment due for the month in which the Member dies.

If upon the death of the Member after his or her retirement pension has commenced, the Member contributions in respect of the Defined Benefit Provision, together with Credited Interest to his or her retirement date but excluding any amounts transferred to his or her Member Account under Section 4.05, exceed the aggregate of his pension payments, such excess, if any, shall be paid to the deceased Member's Beneficiary, or to the deceased Member's estate if there is no such beneficiary.

7.02 Surviving Spouse Benefit

Notwithstanding Section 7.01, if a Member retires on his or her Early Retirement Date or Special Early Retirement Date at or after age 45, on or after March 1, 1990 and has a Spouse as of the Pension Commencement Date, and subsequently dies prior to reaching his or her Normal Retirement Date, the Member's surviving Spouse shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to 50% of the amount of the pension benefit accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, or \$140 per month if greater.

7.03 Automatic Form of Payment for a Member With a Spouse

The automatic form of payment of the pension benefit pursuant to the Defined Benefit Provision for a Member with a Spouse as of the Pension Commencement Date shall be a reduced pension payable in equal monthly instalments for the lifetime of the Member, with 60% of the benefit continued after the Member's death to the Spouse for the remaining lifetime of the Spouse, provided that the Spouse survives the Member. Such reduced pension benefit shall be the Actuarial Equivalent of the normal form of payment pursuant to Section 7.01, and shall take into account the Surviving Spouse Benefit payable pursuant to Section 7.02.

7.04 Optional Forms of Payment

In lieu of the form of payment pursuant to Section 7.01 or Section 7.03, a Member with a Spouse as of the Pension Commencement Date may elect to receive

- (a) a reduced pension payable in equal monthly instalments for the lifetime of the Member, with either 50% or 100% of the reduced pension continued after the Member's death for the remaining lifetime of the Member's Spouse, provided that the Spouse survives the Member, or

- (b) a reduced pension payable in equal monthly instalments for the lifetime of the Member, with the provision that in the event the Member dies before receiving 60, 120 or 180 payments, as elected by the Member, such monthly pension will, in any event, be continued to the Member's Beneficiary or his estate, as the case may be, for the remainder of the guarantee period elected by the Member.

Such reduced pension shall be the Actuarial Equivalent of the normal form of pension pursuant to Section 7.01 and shall take into account the Surviving Spouse Benefit payable pursuant to Section 7.02.

7.05 Election

In order to elect the normal form of payment pursuant to Section 7.01 or an optional form of payment pursuant to Section 7.04, a Member and the Member's Spouse, as applicable, shall sign and file the prescribed waiver form with the Employer within the period prescribed by applicable pension legislation.

7.06 Defined Contribution Provision

The form of payment of the pension benefit pursuant to the Defined Contribution Provision shall be the form of payment applicable to the retirement savings vehicle to which the benefit is transferred pursuant to Section 6.04(c), subject to the *Income Tax Act* and the *Pension Benefits Act*.

Section 8 — Pre-Retirement Death Benefits

8.01 Refund of Amount from Defined Contribution Provision

If a Member dies while employed with the Employer or after termination of employment with the Employer but prior to payment of benefits pursuant to Section 6.04(b), the Member's surviving Spouse shall be entitled to receive a benefit equal to the amount in the Member's Account in a single lump sum cash payment, or may direct the Employer to transfer the amount to a Registered Retirement Savings Plan on the Spouse's behalf. If the Member is not survived by a Spouse, said amount shall be paid to the Member's Beneficiary or, if none, to the Member's estate.

8.02 Surviving Spouse Benefit

If a Member dies either

- (a) while employed with the Employer and after completion of at least 15 years of Continuous Service; or
- (b) after termination of employment with the Employer on or after October 15, 1985, after becoming eligible for retirement and an immediate pension pursuant to the Plan but prior to application therefor,

the Member's surviving Spouse shall be entitled to receive a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, equal to 50% of the amount of the pension benefit accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, or \$140 per month if greater.

8.03 Optional Pre-Pension Spouse Coverage

A Member who is an Employee and who has a Spouse and who has attained age 55 and completed at least 15 years of Continuous Service may elect Pre-Pension Spouse Coverage, the benefits pursuant to which shall be in addition to any other benefits pursuant to the Plan in the event of the Member's death prior to his or her Pension Commencement Date.

(a) Election

At least two years and 90 days prior to becoming eligible to elect Pre-Pension Spouse Coverage, the Pension Committee shall advise each eligible Member of the opportunity to elect such coverage. The Member may elect to obtain such coverage by filing the prescribed form with the Pension Committee, either at the time the Member is first notified by the Pension Committee or at any time thereafter prior to the Member's Pension Commencement Date. A Member who has attained age 65 and completed at least 10 years of Continuous Service shall be deemed to have elected Pre-Pension Spouse Coverage, unless the Member waives such coverage in writing, and shall be so notified by the Pension Committee at least 90 days prior to satisfying the age and service requirements.

(b) Effective Date

The effective date of Pre-Pension Spouse Coverage for a Member shall be the later of the date the Member satisfies the required age and service criteria and the date that is two years following the date the Member elects the coverage except that, for a Member who is deemed to have elected Pre-Pension Spouse Coverage, the effective date of such coverage shall be the date upon which such Member shall be so deemed to have elected the coverage. If a Member dies as a result of an accident after having satisfied the required age and service criteria and having elected or being deemed to have elected Pre-Pension Spouse Coverage but prior to the date such coverage becomes effective, such coverage shall be deemed to have become effective as of the date such Member elected the coverage or was deemed to have elected the coverage.

(c) Termination

- (i) A Member may terminate Pre-Pension Spouse Coverage at any time by filing the prescribed form with the Pension Committee and the effective date of such termination shall be the date such form is filed with the Pension Committee. The consent of the Member's Spouse to terminate the coverage shall not be required.
- (ii) A Member's Pre-Pension Spouse Coverage shall terminate on the earliest of the date the Member ceases to have a Spouse, the Member's Pension Commencement Date or the date the Member incurs a break in Continuous Service. The Pre-Pension Spouse Coverage of a Member who incurs a break in Continuous Service shall be restored upon the Member's re-employment as an Employee, however, such Member may elect to revoke such coverage effective as of the date of re-employment, within 30 days after such re-employment.

(d) Amount of Pension Payable to Surviving Spouse in the Event of Member's Death While Pre-Pension Spouse Coverage is in Effect

The Pre-Pension Spouse Coverage shall be a pension benefit payable in equal monthly instalments commencing on the first day of the month following the date of the Member's death and continuing on the first day of each month thereafter until the first day of the month in which the Spouse dies, in an amount equal to 50% of the amount of pension accrued by the Member pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, as though the Member had attained his or her Normal Retirement Date on the date of death, multiplied by such actuarial factors as adopted from time to time by the Pension Committee based on the ages of the Member and the Member's Spouse as of the date of the Member's death. However, the amount determined pursuant to Section 6.01 shall be reduced by 0.68% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

(e) Adjustment to Amount of Pension Payable to Member On Retirement, if Pre-Pension Spouse Coverage is Elected

If a Member elects or is deemed to have elected Pre-Pension Spouse Coverage, the amount of the pension benefit payable to the Member upon his or her subsequent retirement pursuant to Section 6.01(a) or Section 6.01(b)(i), whichever would have been applicable to the Member, shall be reduced by 0.68% multiplied by the number of years (and fractions thereof calculated to the nearest month) that the Pre-Pension Spouse Coverage was in effect for the Member.

(f) Evidence

The Member shall provide the Pension Committee with satisfactory proof of spousal status and proof of age of the Member and the Spouse prior to any payment of Pre-Pension Spouse Coverage. In order for Pre-Pension Spouse Coverage to terminate pursuant to Section 8.03(c)(ii), the Member shall provide the Pension Committee with satisfactory proof of loss of spousal status by death, divorce or separation.

(g) Communication

The Pension Committee shall make reasonable efforts to inform eligible Members and their respective Spouses of the availability of the Pre-Pension Spouse Coverage.

8.04 Statutory Minimum Benefits

In no event shall the Commuted Value of the pension benefit payable upon the death of a Member who has completed at least two years of Continuous Service be less than the Commuted Value of the pension benefit accrued by the Member pursuant to Section 6.01, in respect of Credited Service on and after January 1, 1990.

Section 9 — Payment of Benefits

9.01 Application for Benefits

Payment of a pension or other benefit under the Plan shall be granted by the Employer and payment shall be made only upon application therefor in the manner prescribed by the Employer, and upon submission of such relevant information and supporting documentation as the Employer in its discretion may reasonably request.

9.02 Proof of Age and Marital Status

A Member shall be required to inform the Employer of his or her age and marital status and the age of the Member's Spouse (if any) and to file such proof thereof as required by the Employer. Pension benefits shall not commence to be paid until such proof of age and marital status has been received and admitted by the Employer. In the event that payment of pension benefits is delayed pending receipt and admittance of satisfactory proof of age and marital status, retroactive payments shall be made once satisfactory proof has been received.

9.03 Misstatement in Application for Pension Benefit

If a Member either knowingly or unknowingly has submitted any information to the Employer relevant to the amount of benefits he or she is to receive from the Plan which is incorrect, the amount of benefits payable from the Plan may be adjusted either, in the case of underpayment, by making additional payments from the Plan or, in the case of overpayment, by requiring repayment from the Member, whichever is appropriate in the circumstances.

9.04 Method of Payment

All retirement income and other benefits payable under the Plan shall be paid by cheque mailed by ordinary prepaid mail to the last known address of the Member, Spouse or Beneficiary as the case may be, or may be deposited directly into an account as directed by the Member, Spouse or Beneficiary. Posting or deposit of the cheque shall be an effective discharge of the Plan for the amount thereof.

9.05 Evidence of Survival

The Employer shall have the right to require satisfactory evidence that a retired Member or other Beneficiary under the Plan is living on each and every date a pension benefit is due the retired Member or other Beneficiary. In the absence of such evidence when required by the Employer, the benefits otherwise due shall not be paid until the evidence has been received.

9.06 Payments to Minors or Incompetents

If the Employer receives evidence satisfactory to it that a person entitled to receive any payment under the Plan is physically or mentally incompetent to receive such payment and to give valid receipt therefor, or is a minor, and another person or an institution is then maintaining or has custody of the person and no guardian, committee or other representative of the person has been duly and legally appointed, the Employer may authorize payment of the benefit to be made to such other person or institution and the release of the other person or institution shall be a valid and complete discharge of the liabilities of the Plan therefor.

9.07 Beneficiary Designation

A Member may, by written notice communicated to the Employer during the Member's lifetime, designate a Beneficiary to receive any benefits payable pursuant to the Plan in the event of the Member's death. The Member may revise or revoke any such designation from time to time, subject to the provisions of any annuity, insurance or other contract or law governing designation of beneficiaries which may apply to the Member. A Quebec Member may revoke the designation of a beneficiary only if the designation is stated to be revocable. The written notice shall be in such form and executed in such manner as the Employer in its discretion may specify from time to time. In the event a Member has not validly and effectively designated a Beneficiary or, if having done so, the Beneficiary is not living on the date of the Member's death or if the Member revoked the last designation so made, any amount payable pursuant to the Plan shall be paid in a lump sum amount to the Member's estate.

9.08 Maximum Limits Under the *Income Tax Act*

The *Income Tax Act* imposes conditions in order for a pension plan to maintain registered status under the *Income Tax Act*. Certain restrictions must be specifically stated in the Plan, even though the regular provisions of the Plan may be more restrictive. In administering the Plan, contributions and benefits are first determined pursuant to the regular provisions of the Plan, then tested against the provisions of this Section 9.08 and modified if necessary.

(a) Maximum Pension

Notwithstanding any other provision of the Plan, and subject to section (b) below, the annual pension payable to a Member under the Defined Benefit Provision on the date of the Member's retirement, termination of employment, or upon termination of the Plan, including any benefits paid to a Spouse pursuant to Section 12.05, shall not exceed the lesser of:

- (i) 2% of the Member's "highest average compensation" multiplied by the Member's years of "pensionable service" with the Employer; and
- (ii) the "defined benefit limit" for such year (currently \$1,722.22) multiplied by the Member's years of "pensionable service" with the Employer.

Pensionable service for a Member shall not exceed 35 years during a Member's period of service prior to 1992.

For the purposes of this subsection, the terms "highest average compensation", "defined

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benefit limit" and "pensionable service" shall have the meanings as defined in the *Income Tax Act*.

(b) Maximum Early Retirement Pension

The annual early retirement pension payable to a Member under the Defined Benefit Provision, as calculated pursuant to Section 6.02, 6.03 or 6.04 commencing prior to the Member's attainment of age 60, shall not exceed the lesser of the amount payable under the Defined Benefit Provision under Section 6.01 and the maximum amount determined pursuant to section (a) above, except that such maximum amount shall be reduced by 1/4 of 1% for each month by which the Member's Pension Commencement Date precedes the earliest of the first day of the month following:

- (i) the Member's attainment of age 60;
- (ii) the date the Member would have attained 30 years of service had he or she continued in employment with the Employer; or
- (iii) the date the Member would have attained a combined total of 80 years (and fractions of a year) of age and service had he or she continued in employment with the Employer.

(c) Combined Maximum Pension and Temporary Supplemental Benefit

In addition to the maximum pension limit described in paragraph (a) above, and notwithstanding any other provision of the Plan to the contrary, the total annual benefit payable to a Member under the Defined Benefit Provision prior to the Member's attainment of age 65, at the time of the Member's termination of employment, retirement, or termination of the Plan, as the case may be, shall not exceed the sum of:

- (i) the defined benefit limit for such year of termination multiplied by the Member's years of "pensionable service", as defined in the *Income Tax Act*; and
- (ii) 25% of the average of the YMPE for such year of termination and the two preceding calendar years, multiplied by a fraction, the numerator of which is the Member's years of pensionable service as defined in the *Income Tax Act* to a maximum of 35 and the denominator of which is 35.

(d) Maximum Pension Adjustment

A Member's pension adjustment for a calendar year in respect of the Employer and any employer that does not deal at arm's length with the Employer shall not exceed the maximum pension adjustment permitted under the *Income Tax Act*.

9.09 Retirement Benefits From Excess Contributions

(a) A Member who is eligible to receive benefits under the Defined Benefit

Provision shall receive additional monthly retirement income that is the Actuarial Equivalent of the amount, if any, by which his contributions made prior to January 1, 1990, together with Credited Interest but excluding any amounts transferred to his Member Account under Section 4.05, exceed the Commuted Value of any retirement income earned in respect of Credited Service prior to January 1, 1990 under the Defined Benefit Provision.

(b) A Member who is eligible to receive benefits under the Defined Benefit

Provision shall receive additional retirement income that is the Actuarial Equivalent of the amount, if any, by which his contributions made on or after January 1, 1990, together with Credited Interest but excluding any amounts transferred to his Member Account under Section 4.05, exceed 50% of the Commuted Value of any retirement income earned in respect of Credited Service on or after January 1, 1990 under the Defined Benefit Provision.

Section 10 — Pension Fund

10.01 General

- (a) The Employer shall establish and maintain a Pension Fund for the purpose of receiving and investing the contributions and providing the benefits pursuant to the Defined Benefit Provision and the Defined Contribution Provision of the Plan.
- (b) The Pension Fund shall be administered and invested pursuant to the terms of the Funding Agreement, and in compliance with the provisions of the *Pension Benefits Act*, the *Income Tax Act* and other applicable laws.
- (c) The Employer shall have the sole right to appoint the Funding Agency and to determine the form and terms of the Funding Agreement.

10.02 Provision of Benefits

- (a) No part of the Pension Fund shall be used for or diverted to purposes other than for the exclusive benefit of Employees, pensioners, contingent annuitants and surviving spouses prior to satisfaction of all liabilities to such persons pursuant to the Plan and the Funding Agreement. No Employee, prior to retirement under conditions of eligibility for a pension under the Plan, shall have any right or interest in or to any portion of any funds which may be paid into the Pension Fund and an Employee, contingent annuitant or surviving Spouse shall not have any right to any such pension except to the extent provided in the Plan.
- (b) All benefits pursuant to the Plan shall be paid from the Pension Fund; however, the Employer reserves the right to insure or reinsure any part of the benefits with an insurance company licensed to transact such business. If an annuity is purchased to provide pension benefits, such purchase shall operate as a complete discharge of the Employer and the Plan in respect of the amount purchased.
- (c) All payments pursuant to the Plan shall be made in Canadian currency.

10.03 Investment—Defined Benefit Provision

The Employer shall direct the Funding Agency to invest the Pension Fund relating to the Defined Benefit Provision in such manner as the Employer deems appropriate from time to time, subject to the *Pension Benefits Act* and the *Income Tax Act*.

10.04 Investment—Defined Contribution Provision

(a) Investment Option Form

- (i) Subject to the *Pension Benefits Act* and the *Income Tax Act*, a Member shall submit to the Funding Agency an investment option form directing the investment of the amount in the Member's Account in such investment options as may be offered by the Employer and the Funding Agency pursuant to the Funding Agreement.
- (ii) The amount in the Member's Account shall be invested in the investment options in such proportion as directed by the Member based on whole number increments from 1% to 100%.
- (iii) If a Member fails to submit an investment option form, the amount in a Member's Account shall be invested in an interest-bearing investment made available by the Funding Agency from time to time.

(b) Changes to Member Investment Options

A Member may change all or part of the Member's investment options at any time, subject to any conditions as may be required by the Funding Agency. The Member may direct the Funding Agency to transfer assets from one investment option to another and the Member's Account shall be debited or credited, as the case may be, by the value of the investment bought or sold as of the day the Funding Agency completes the change to a Member's investment options.

10.05 Expenses

Subject to the *Pension Benefits Act*, all reasonable charges, fees, taxes and other expenses incurred in the operation of the Plan and Pension Fund including, but not limited to, investment management fees, registration fees, auditor fees, trustee fees, legal fees, consulting fees and actuarial fees shall be paid from the Pension Fund, unless paid directly by the Employer or the Funding Agency.

Section 11 — Administration of the Plan

11.01 Administration of the Plan

- (a) The Employer is the administrator of the Plan. The Pension Committee is responsible for the day-to-day operation of the Plan, including the Defined Benefit Provision and the Defined Contribution Provision.
- (b) The Pension Committee shall consist of three or more persons resident in Canada, appointed by Cliffs Mining Company, to serve for such times until their respective successors have been appointed in like manner.

11.02 Officers of Pension Committee

The members of the Pension Committee shall elect a member to act as chairman and shall appoint a secretary who may, but need not be, a member of the Pension Committee.

11.03 Powers of Pension Committee

Subject to the *Pension Benefits Act*, the Pension Committee shall have all such powers and duties as Cliffs Mining Company may at any time grant, impose or delegate including, but not limited to, the following:

- (a) to award the payment of pension benefits pursuant to the Plan;
- (b) to make and enforce such rules and regulations as the Pension Committee deems necessary or appropriate for the efficient administration of the Plan;
- (c) to interpret or apply the Plan or any provision thereof; and
- (d) to do, or cause to be done, all such acts or things necessary or proper to carry out the rights and privileges granted to or the duties imposed upon it under any provision of the Plan or the Funding Agreement.

Except as otherwise provided in the Plan or the Funding Agreement, any act, interpretation or determination made by the Pension Committee shall be final and binding upon all affected persons.

11.04 Agents of Pension Committee

The Pension Committee may appoint or employ such administrative, medical, actuarial, legal and other agents as the Pension Committee deems necessary or appropriate. The fees and expenses of such agents shall be paid from the Pension Fund, unless paid directly by the Employer.

11.05 Actions of Pension Committee

Any action of the Pension Committee may be taken by the written approval or the affirmative votes of a majority of the members of the Pension Committee. The Pension Committee may delegate to any of its members, officers, or agents such duties and powers, both ministerial and discretionary, as it deems appropriate, excepting only that any dispute shall be settled by the Pension Committee. The Pension Committee may authorize any one or more of its members to sign on its behalf any instructions, certificates, directions or notices of the Pension Committee to the Funding Agent or others, and the Funding Agent or any other person to whom any such writing is directed shall be fully protected in acting thereon.

11.06 Decisions of Pension Committee

The Pension Committee shall make all determinations as to the right of any person to a benefit pursuant to the Plan. Any denial by the Pension Committee of the claim for benefits pursuant to the Plan by a person shall be stated in writing by the Pension Committee and delivered or mailed to such person and shall set forth the specific reasons for the denial. In addition, the Pension Committee shall afford a reasonable opportunity to such person whose claim for benefits has been denied, for a reconsideration of the decision denying the claim.

11.07 Communication With Pension Committee

Any designations, elections or waivers pursuant to the Plan shall be in writing to the Pension Committee and, if valid, shall be considered in force as of the date received by the Pension Committee.

11.08 Allocation of Responsibilities Among the Employer, the Pension Committee and the Funding Agent

(a) The Employer, the Pension Committee and the Funding Agency shall have only those specific powers, duties, responsibilities and obligations as are specifically provided in the Plan and the Funding Agreement. The Employer shall have the sole authority to appoint and remove the Funding Agency and any investment manager which may be provided for pursuant to the Plan or the Funding Agreement. The Funding Agency shall have the sole responsibility for the administration of the Pension Fund, pursuant to the Funding Agreement. The Employer, the Pension Committee and the Funding Agency may rely upon any direction, information or action of each other as being proper pursuant to the Plan and the Funding Agreement and is not required pursuant to inquire into the propriety of any such direction, information or action. It is intended that the Employer, the Pension Committee and the Funding Agency shall be responsible for the proper exercise of their respective own powers, duties, responsibilities and obligations pursuant to the Plan and the Funding Agreement and shall not be responsible for any act or failure to act of each other.

- (b) The rights of any person entitled to receive any payment or benefit pursuant to the Plan shall be limited to the assets of the Pension Fund as such assets exist from time to time. Neither the Plan nor the Funding Agreement shall create any privity between the Employer and any Employee or other person entitled to receive any payment or benefit pursuant to the Plan, and no right or claim of any such person shall be asserted or made against the Employer by reason of the Plan or the Funding Agreement. No right or claim shall be asserted or made by any person against the Funding Agency or the Pension Fund except in respect of a benefit provided pursuant to the Plan or the Funding Agreement and which has become due and payable pursuant to the Plan or the Funding Agreement.
- (c) The obligations of the Employer pursuant to the Plan shall be limited to the payments required to be made by the Employer in any calendar year pursuant to the Plan.

11.09 Records of the Employer

Wherever the records of the Employer or the Pension Committee are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

11.10 Communication

(a) Notice of Plan Provisions and Amendments

The Employer shall provide to each Member and each Employee eligible for membership in the Plan a written explanation of:

- (i) the provisions of the Plan and any amendments thereto applicable to the Member or Employee;
- (ii) the rights and duties of the Member or Employee with respect to the benefits available pursuant to the Plan;
- (iii) such other information as may be required under the *Pension Benefits Act* or other applicable provincial or federal laws; and
- (iv) amendments to the Plan, within the time period prescribed by the *Pension Benefits Act*.

(b) Statement of Benefits

A Member who terminates employment with the Employer and who is entitled to a benefit from the Plan shall be provided with a written statement setting out the benefit to which he or she is entitled or may become entitled pursuant to the Plan.

(c) Annual Statement of Benefits

Each year the Employer shall provide each Member who is actively participating in the Plan with a written statement of the Member's benefits pursuant to the Plan and such other information as may be required by the *Pension Benefits Act*.

(d) Inspection of Documents

A Member or a Member's agent so authorized in writing may inspect and make photocopies of the following documents, which shall be available, upon written request in advance, at the head office of the Employer during regular business hours:

- (i) the provisions of the Plan applicable to the Member;
- (ii) the amendments to the Plan applicable to the Member;
- (iii) the annual information return;
- (iv) an abstract of the actuarial valuation report indicating the official name of the Plan, the employer actuarial normal cost under the Plan for future service, the balance of all unfunded liabilities, the annual special contributions required to liquidate such liabilities and the amortization periods, and the Surplus Assets in the Plan, if any;
- (v) the Plan's financial statements; and
- (vi) such other documents as prescribed by the *Pension Benefits Act*.

Section 12 — General Provisions

12.01 Employment Rights

The establishment and implementation of the Plan shall not constitute an enlargement of any rights which a Member may have as an Employee apart from the Plan. Membership in the Plan does not confer a right on a Member to require the Employer to continue the Member in its employment, and if the service of the Member is terminated before the Member's Normal Retirement Date, such Member has only such rights as are provided for under the Plan. The benefits pursuant to the Plan shall not be used to increase damages in respect of the termination of employment of a Member.

12.02 Non-Assignability and Non-Commutability of Benefits

Any benefit payable pursuant to the Plan shall be for the personal use of the person entitled to receive such benefit, and shall not be given as security or be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, surrender or charge, or to attachment or legal process for debts of the person receiving such benefits, except as specifically provided by paragraph 8502(f) of the regulations to the Income Tax Act, by statute and as provided in Section 12.05 below. In no event shall such benefits confer upon any Member, or any other person, any rights or interest therein which is capable of being surrendered or commuted except as specifically provided by the Plan.

12.03 No Duplication of Benefits

There shall be no duplication of the benefits under any one section of the Plan and the benefits under any other section of the Plan, nor of the benefits under the Plan and the benefits under any other Employer-sponsored retirement plan or any other retirement plan sponsored by an affiliate or subsidiary of the Employer with respect to the same period of service.

12.04 Notices and Elections

Any notice or election to be given, made or communicated pursuant to or for any purpose of the Plan shall be given, made or communicated, as the case may be, in such manner as the Employer shall determine from time to time. Without limiting the generality of the foregoing, any person entitled to any benefit under the Plan shall be responsible for notifying the Employer in writing of his or her mailing address and subsequent changes of mailing address.

12.05 Division of Pension Benefits on Marriage Breakdown

In the event the Pension Committee is provided with a certified copy of a court order relating to the entitlement to or payment of a Member's pension benefits upon the marriage breakdown of the Member and the Member's Spouse, or a domestic agreement between the Member and the Member's Spouse which has been certified by a court order relating to the entitlement to or payment of the Member's pension benefits upon the marriage breakdown of the Member and the Member's Spouse, such benefits may be paid or divided pursuant to the terms of such court order or domestic agreement, as the case may be, subject to the *Pension Benefits Act*.

12.06 Applicable Law

The Plan shall be interpreted pursuant to the laws applicable in the province of Newfoundland.

Section 13 — Future of the Plan

13.01 Continuation of the Plan

The Employer intends to maintain the Plan in force indefinitely; however, the Employer reserves the right to terminate the Plan, either in whole or in part, at any time or times in the event that future conditions warrant such action, subject to the *Pension Benefits Act* and the *Income Tax Act*.

13.02 Amendment of the Plan

The Employer reserves the right to amend the Plan from time to time. No amendment to the Plan or other instrument established or entered into for purposes of holding and administering funds contributed hereunder, shall operate to reduce the benefits accrued by members or by their Spouses, Beneficiaries or estates up to the date of the amendment nor shall any amendment be made which would cause or permit any portion of the Pension Fund to be used for purposes other than as prescribed by the provisions of the Plan and the requirements of the *Pension Benefits Act* and the *Income Tax Act*.

13.03 Termination of the Plan

In the event the Plan is terminated, the assets of the Pension Fund, after provision for administrative expenses (including any expenses incurred in the termination of the Plan), shall first be used to provide pension benefits for Members, their respective Spouses, Beneficiaries and estates in an equitable manner to be determined by the Employer, with the recommendation of the Actuary, subject to the *Pension Benefits Act* and the *Income Tax Act*. The rights of all Members and their Spouses, Beneficiaries and estates to benefits accrued to the date of such termination, to extent then funded, are non-forfeitable.

13.04 Wind-Up or Bankruptcy of the Employer

In the event the Employer is wound up or becomes bankrupt, the Plan, unless continued by another employer, shall be deemed terminated and the provisions of Section 13.03 shall apply, except to the extent that any termination or action required to be made thereunder by the Employer, shall in such event, be made by the liquidator or trustee in bankruptcy, as the case may be.

13.05 Asset Transfer or Merger

- (a) The Employer may transfer or merge the assets of the Plan or the Pension Fund or any part thereof, and the liabilities related to such assets, to or with one or more trusts, pension fund societies or corporations, pension or superannuation plans or funds and which may result in one merged or amalgamated entity with or without termination of the entities merged. Subject to the *Pension Benefits Act* and without limiting the generality of the foregoing, the terms of the transfer or merger may provide for the termination or continuation of all or any part of the entities to be merged, the consolidation of the assets and liabilities of the merged entities, with or without any requirement to maintain a separate accounting in respect thereof, and the application of the assets of the fund or any part thereof to the liabilities related to any new participants or the merged entity, provided that any account maintained in respect of a Member shall continue to be maintained in respect of the Member until such time as the Member terminates employment with no vested benefit remaining to be paid.
- (b) In the event of a merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Pension Fund to, another fund relating to any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Members, the assets of the Pension Fund relating to any transferred Members shall be transferred to the other fund provided that:
- (i) each Member would be entitled to (if either the Plan or the other plan is then terminated) receive a pension benefit immediately after the merger, consolidation or transfer equal to or greater than the pension benefit he or she would have been entitled to receive pursuant to the Plan immediately prior to the merger, consolidation or transfer;
 - (ii) the Employer, or any new or successor employer of the affected Members authorizes such transfer of assets; and
 - (iii) such other plan and trust agreement are registered with the applicable regulatory authorities.

13.06 Surplus Assets

If, after all accrued benefits pursuant to the Plan to Members and their respective Spouses, Beneficiaries or estates, as the case may be, have been paid and all expenses pursuant to the Plan have been paid, Surplus Assets remain in the Pension Fund, the Employer shall have legal title to such Surplus Assets, subject to the *Pension Benefits Act*, the *Income Tax Act* and other applicable laws.

Section 14 — Special Provisions for Quebec Employees

14.01 Application

This section applies to Employees who report for work in the Province of Quebec and is included in the Plan in order for the Plan to comply with the *Supplemental Pension Plans Act (Quebec)* (the "SPPA") and shall supplement all other provisions of the Plan which are not inconsistent and shall replace any other provisions which are inconsistent.

14.02 Quebec Early Retirement

A Quebec Member may elect to retire on the first day of the month following his or her 55th birthday, or on the first day of any succeeding month prior to his Normal Retirement Date, provided the Member has completed at least two years of Continuous Service, the date of such retirement being hereunder described as his or her "Quebec Early Retirement Date". Such Member shall be entitled, upon such early retirement, to receive a pension determined pursuant to Section 14.03.

14.03 Quebec Early Retirement Pension

A Quebec Member who retires pursuant to Section 14.02 may elect to receive a monthly pension commencing on his or her Quebec Early Retirement Date or at the election of the Quebec Member on the first day of any subsequent month (but not later than his or her Normal Retirement Date), in an amount equal to the Actuarial Equivalent of the pension calculated as in Section 6.01 based on his or her Credited Service to his or her Quebec Early Retirement Date.

14.04 Postponed Retirement

A Quebec Member may postpone his or her retirement beyond his or her Normal Retirement Date.

14.05 Actuarial Adjustment

Upon a Quebec Member's postponed retirement date, which shall be the first day of the month coincident with or next following the date on which the Member retires, the Quebec Member shall be eligible to receive a retirement pension equal to the Actuarial Equivalent of the pension determined pursuant to Section 6.01 based on Credited Service in effect on the Normal Retirement Date. Such Actuarial Equivalent shall be determined as of the date the pension commences and shall be determined on the basis of the method described in Appendix "A" to the Plan entitled "Revalorization of Postponed Retirement Pension".

14.06 Maximum Deferral of Pension

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date has not effectively retired before his or her 69th birthday, the Member's postponed retirement pension shall commence on December 1st of the calendar year the Quebec Member attains age 69.

14.07 Effect of Maximum Benefit Rule

If a Quebec Member who has elected to postpone retirement after Normal Retirement Date

shall become entitled to a postponed retirement pension which, after the revalorization described in Section 14.05 above, becomes equal to the maximum pension described in Section 9.08, the Member's postponed retirement pension shall then commence on the first day of the next calendar month.

14.08 Partial Payment of Pension

If the wages, as defined in the SPPA, of a Quebec Member who has elected to postpone retirement after Normal Retirement Date are reduced, the Member may elect to receive a partial payment of his or her retirement pension. Such election may be made at the time the Member's wages are reduced and each January 1st thereafter. The amount of the partial payment shall be equal to, if the amount of the retirement pension so permits, the amount of reduction in such wages. The remaining balance, if any, of his retirement pension shall be payable on the Member's effective retirement and shall be calculated according to Section 14.05 above.

14.09 Early Commencement of Deferred Vested Pension

A Quebec Member who is entitled to a deferred vested pension pursuant to Section 6.04 may, upon proper application therefor, elect to have the deferred vested pension commence prior to his or her Normal Retirement Date, on the first day of any month subsequent to the Member's 55th birthday, in which event the amount of such pension shall be the Actuarial Equivalent of the deferred pension otherwise payable from such Member's Normal Retirement Date.

14.10 Portability of Benefits

A Quebec Member whose employment with the Employer terminates before attaining age 55 and who is entitled to a deferred vested pension pursuant to the provisions of Section 6.04 may, within 180 days following the date of termination, and subsequently every five years, within 180 days from the date of expiry of each fifth year, elect to transfer an amount equal to the value of the deferred pension to a pension plan governed by the SPPA or to a locked in retirement account or annuity contract as prescribed by the SPPA. Any such transfer shall, however, be subject to such conditions and restrictions as may be prescribed by the SPPA, depending upon the solvency status of the Plan from time to time.

In the event that a portability election is completed pursuant to this Section 14.10, the Member shall have no further rights under the Plan.

14.11 Death in Service After Normal Retirement Date

If a Quebec Member dies subsequent to the Normal Retirement Date while in active employment leaving a surviving Spouse, the Member's Spouse shall be entitled to receive a pension the value of which shall be equal to the greater of:

- (a) the value of the death benefit under Section 8, or
- (b) the value of the pension the Spouse would have been entitled to receive under Section 7 if payment of the postponed pension had begun on the day preceding the death of the Quebec Member.

(a) the value of the death benefit under Section 8, or

(b) the value of the pension the Spouse would have been entitled to receive under Section 7 if payment of the postponed pension had begun on the day preceding the death of the Quebec Member.

14.12 Commutation of Pension

If the value of a retirement pension or deferred vested pension payable under the Plan is less than 4% of the YMPE in the year that the Quebec Member retires, terminates employment or dies, or such other amount as may be permitted from time to time by the SPPA, a lump sum amount equal to the value of the benefit shall be paid to the person entitled to such benefit in lieu of any other benefits under this Plan.

14.13 Temporary Supplementary Benefit

For the purposes of Section 7.03, if the Member was receiving a temporary supplementary benefit pursuant to Section 6.06, such temporary supplementary benefit shall be subject to an actuarial reduction, and such benefit shall continue to be paid to the Member's Spouse ending with the month in which the Member would have attained age 65.

Executed this 14th day of May, 2001.

WABUSH MINES, Cliffs Mining Company,
Managing Agent

By: [Signature]
Vice President and Treasurer

And: [Signature]
Secretary

ARNAUD RAILWAY COMPANY

By: [Signature]
Treasurer

And: [Signature]
Secretary

WABUSH LAKE RAILWAY COMPANY, LIMITED

By: [Signature]
Treasurer

And: [Signature]
Secretary

Appendix A

Revalorization of Postponed Retirement Pension

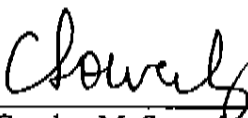
The retirement pension of a Quebec Member who has elected to postpone retirement after his or her Normal Retirement Date is revalorized as follows:

1. A notional account is set up for the Quebec Member.
2. There shall be credited to that account the monthly retirement pension that the Quebec Member would have received (up to but not including the date the Member actually begins to receive the retirement pension) if the Member had retired on his or her Normal Retirement Date.
3. There shall be credited to such account the interest earned on such monthly retirement pension from each due date thereof assuming a rate of interest for each calendar month corresponding to the average yield on "5-year personal fixed term deposits" (CANSIM series B14045) as published by the Bank of Canada Review.
4. When the postponement of the retirement pension ceases, a monthly postponed retirement pension shall be calculated based on the accumulated balance then existing in such account.
5. The accumulated balance in the account shall be divided by the present value of an annuity of \$1 per month payable for the Quebec Member's lifetime calculated by the Actuary and based on the following assumptions:
 - (i) 1983 Group Annuity Mortality Table, as published by the Society of Actuaries; and
 - (ii) Interest for the first 15 years at an annual rate equal to the yield on "long-term Government of Canada Bonds" (CANSIM series B14013) for the month preceding as published in the Bank of Canada Review, and interest at 6% per annum thereafter.
6. The Quebec Member's postponed retirement pension shall be calculated by adding:
 - (i) The monthly normal retirement pension that the Quebec Member would have been entitled to receive had the Member retired on his or her Normal Retirement Date; and
 - (ii) the pension calculated pursuant to paragraph 5 above.
7. In the event of a partial payment of the retirement pension after the Normal Retirement Date but before actual retirement (i.e. with different parts of the retirement pension being postponed for different periods), the foregoing procedure shall be applied separately to each part.

THIS IS EXHIBIT "T" TO THE AFFIDAVIT

OF MICHAEL E. KEEPER

SWORN JUNE 15, 2015



Carolyn M. Sowerby
A COMMISSIONER, ETC.

Carolyn M. Sowerby
Barrister and Solicitor
295 Queen Street
Kingston, ON K7K 1B7

X 85570
1425.00
Entered 01/12/15
J.D.



Form 2
**Registered Pension Plan
Annual Information Return**
(Please read the instructions for Annual Information Returns before completing this Return)

Service NL
Pension Benefit Standards Division
2nd Floor, West Block, Confederation Bldg
P. O. Box 8700
St. John's, NL, A1B 4J8
Telephone: (709) 729-1039
Facsimile: (709) 729-3205

1. Title of pension plan and registration number

A. Official name of plan COMPULSORY PENSION PLAN FOR SALARIED EMPLOYEES OF WAGUSH MARINE, CURRY MARINE COMPANY	
B. Carrier and policy or trust number, if any LTIC MELLON TRUST COMPANY ACCT WHMP100-000 AND SWEET ALLIANCE CO. # 6059	
C. Provincial registration number 021314-000	D. Canada Revenue Agency registration number 0943558

2. Name and address of plan administrator (see instructions)

A. Name PENSION COMMITTEE		
B. Contact name KURT J. HOLLAND, DIRECTOR - COMPENSATION AND BENEFITS		
C. Address of head office 610 CLIFFS NATURAL RESOURCES INC. 200 SPURIA SQUARE, SUITE 3300		
City CLEVELAND	Province STATE: OH	Postal code 44114-2815
D. Mailing address in Canada if other than 2C		
City	Province	Postal code
E. Telephone number US: 216-694-5505, CAN: 418-964-3011		F. Email Address KURT.HOLLAND@CLIFFS.NR.COM

3. Location of books and records, same as 2C above, or

Address		
City	Province	Postal code

4. End of plan year under review (see instructions)

A. YYYY / MM / DD 2013 / 12 / 31	B. Number of months in the plan year: 12 months <input checked="" type="checkbox"/> Other <input type="checkbox"/> (not to exceed 22 months)
--	---

5. Number of employers in the plan

How many employers participated in the plan at the end of the plan year? 3

6. Changes in the list of participating employers

A. Have there been any changes to the list of employers covered by this pension plan since the last annual information return (or since the application for registration, if this is the first annual information return)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
B. If "yes", enter, in the appropriate subdivision below, the name and address of each employer and indicate whether it is an "addition" or "deletion".	
(I) Employers associated through ownership	
(II) Employers associated only through nature of business	

PRIVACY NOTICE

Under authority of the Pension Benefits Act, 1997, personal information is collected by the Pension Benefit Standards Division in order to perform annual supervision of pension plans. This information is kept confidential and handled as required by the Access to Information and Protection of Privacy (ATIPPA) Act. If you have any questions about the collection or use of this information please contact us at: Service NL, Pension Benefit Standards Division, P. O. Box 8700, St. John's, NL, A1B 4J8 or by calling (709) 729-1039.

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7 Plan amendments

Page 2

A. Were any amendments made to this pension plan or fund during the plan year under review?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
B. If "yes", have the amendments been submitted to the department? (see instructions if pension plan is established by virtue of a collective agreement or decree.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
C. Have all eligible employees, members and affected former members been informed of plan amendments?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
D. If "no", please explain		

8 Cessation of contributions/benefit accrual

A. Did a cessation of contributions or benefit accrual occur during the plan year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If "yes", what is: B. effective date of cessation YYYY / MM / DD C. Date of final distribution of funds YYYY / MM / DD		
D. Has the plan membership been affected by the discontinuation or sale of all or part of an employer's business operations? Yes <input type="checkbox"/> No <input type="checkbox"/>		

9 Current service cost (see instructions)

	DC	DB	DC
A. Member contributions accrued	\$ 700,535		
B. Additional voluntary contributions	\$		
C. Member amounts accrued in previous years and remitted in current year	\$		
D. Member amounts accrued in current year but not remitted by year end	\$		
E. Employer contributions accrued		\$ 2,060,387	1,401,070
F. Less: Amounts credited from surplus or forfeitures (explain)		\$	
G. Employer amounts accrued in previous years and remitted in current year		\$	
H. Employer amounts accrued in current year but not remitted by year end		\$	
I. Remarks:			

10 Special payments for defined benefit plans (see instructions)

Amount of special payments paid into the pension plan or fund during the plan year (not applicable to money purchase pension plans)	
A. Unfunded liability payments remitted \$	0
B. Solvency deficiency payments remitted \$	1,703,743

11 Contribution sufficiency (see instructions)

A. Were the payments shown in sections 9 and 10 above in accordance with the plan terms or the last actuarial report filed with the department?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
B. If "no", please explain		

12 Reconciliation of plan assets (see instructions)

	DB	DC	Total
A. Market value of plan assets at beginning of the plan year	\$ 76,212,096	11,835,143	88,047,239
B. Amount transferred in from other registered plans	\$ -	-	-
C. Total employer contributions remitted (sum of 9E to 9G, less 9H, plus 10A and 10B)	\$ 3,764,130	1,401,070	5,165,200
D. Total member contributions remitted (sum of 9A to 9C, less 9D)	\$ -	700,535	700,535
E. Investment earnings (losses) net of all expenses	\$ 10,533,776	1,591,108	12,124,884
F. Less: Benefits paid directly from the plan	\$ (6,257,152	809,401	(7,066,553)
G. Less: Benefits transferred to other registered plans	\$ (-	1,167,504	(1,167,504)
H. Market value of plan assets at plan year end (sum of A to G)	\$ 84,252,140	13,450,451	97,702,591
I. Book value of plan assets at plan year end	\$ 82,777,352	13,450,451	96,227,803

13 Reconciliation of plan members (see instructions)

Page 3

A. Number of plan members at previous plan year end	240
B. Add: New entrants, i.e., employees joining the plan during the plan year	0
C. Subtract: Retirements during the plan year	4
D. Subtract: Deaths during the plan year	0
E. Subtract: Terminations during the plan year	46
F. Number of plan members at plan year end (Sum of A to E)	190

14 Plan membership by area of employment (see instructions)

Area of employment	Plan members		Number of members from columns (a) and (b) working in "included employment"
	(a) Male	(b) Female	
Newfoundland and Labrador	61	20	81
Prince Edward Island			
Nova Scotia			
New Brunswick			
Quebec	70	19	89
Ontario			
Manitoba			
Saskatchewan			
Alberta			
British Columbia			
Yukon			
Northwest Territories			
Nunavut			
Outside Canada			
Total	151	39	190

15 Former members (see instructions)

Number of former members who have ceased membership or retired (excluding persons for whom individual annuities have been purchased)	
A. Pensioners and beneficiaries	320
B. Vested former members entitled to deferred pensions	177

Defined benefit plans - complete questions 16 - 17
 All other plans - go to Canada Revenue Agency Schedule

16 Adjustments to pension benefits (see instructions)

Have adjustments been made to pensions in pay or deferred pension benefits during the plan year under review?

A. No

B. Yes - (in accordance with a requirement of the plan for regular adjustment of benefits)

C. Yes - (pursuant to a collective agreement)

D. Yes - (voluntarily by the employer)

E. Yes - other (describe) BILL 102 INDEXATION FOR QC MEMBERS OF THE PLAN

17 Basis for adjustment (see instructions)

A. Full Consumer Price Index (CPI)

B. Partial CPI

C. Based on excess interest earnings

D. Percentage increase _____ % (not based on CPI)

E. Flat dollar increase \$ _____ annually

F. Other method (specify) _____

Canada Revenue Agency / Agence du revenu du Canada

Canada Revenue Agency Schedule

1 How many active members at plan year end were persons connected with the employer? 0

Specified multi-employer plans and multi-employer plans, go to question 5. Other plans, continue with question 2.

2 Did any member of this plan participate:

In any other Registered Pension Plan (RPP) or Deferred Profit-sharing Plan (DPSP) provided by this plan sponsor? Yes No

or:

In an RPP or DPSP of any other sponsor who does not deal at arm's length with this sponsor? Yes No

3 Have any connected persons joined or left the plan in the plan year? Yes No

4 In the plan year, has a person or group acquired control of the corporation that is sponsoring the pension plan? N/A Yes No

5 Actuarial liabilities resulting from plan obligations
 PBI: \$1,488,283
 B. R.I. (P, 600, 112)

6 Date of actuarial liability assessment
 Y Y Y Y M M D D
 2 0 1 1 0 1 0 1

Money purchase plans and specified multi-employer plans, go to "certification". Other plans, continue with question 7.

7 Were any plan members provided with Post-1985 Post-Service Benefits in the plan year? Yes No

8 Have any plan members who are connected persons been provided with Pre-1992 Post-Service Benefits in the plan year? Yes No

Certification

- As an authorized officer of the administrator of the pension plan noted above, I hereby certify that to the best of my knowledge and belief,
- (a) the contributions paid to the plan have been at least equal to those required by the applicable pension benefits legislation.
 - (b) the plan and fund have been administered in accordance with the terms of the applicable pension benefits legislation.
 - (c) the administrator has established a written statement of investment policies and procedures in accordance with Section 39 of the Pension Benefits Act Regulations.
 - (d) the statement of investment policies and procedures complies with Section 39 of the Pension Benefits Act Regulations.
 - (e) during the plan year under review, the assets of the pension plan were invested in accordance with Section 39 of the Pension Benefits Act Regulations.
 - (f) the administrator has reviewed the statement of investment policies and procedures during the plan year under review.
 - (g) the details entered on this Annual Information Return are true, correct and complete.
 - (h) the plan complies with and is administered in accordance with sections 147.1, 147.2, and 147.3 of the Income Tax Act (Canada) and the related Regulations.

Kurt Holland KURT J. HOLLAND 6/26/14
 Signature Name in Block Letters Date

DIRECTOR - COMPENSATION AND BENEFITS CLEGG MINING COMPANY, MANAGER AGENT OF
 Title of Person Company Whitbush Minerals

MEMBER OF PLAN MEMBERS *	PRICED PROBLE
0 - 19	\$150.00
20 - 999	\$7.50 PER MEMBER
1,000 AND OVER	\$7,500.00

*Number of Plan Members means the total number of plan members employed in any province or territory of Canada, excluding former members.

For Office Use Only

Remittance: \$ _____ Date of Receipt: _____

Receipt No: _____ Processed By: _____

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-048114-157

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

IN THE MATTER OF THE PLAN
OF COMPROMISE OR
ARRANGEMENT OF:

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

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

**MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON**

Petitioners-Mise-en-cause

ATTESTATION OF AUTHENTICITY
(Article 82.1 of the Code of Civil Procedure)

I, the undersigned, **NICHOLAS SCHEIB**, Advocate, practicing my profession at 600, de Maisonneuve Street West, 17th floor, in the City and District of Montréal, Province of Québec, under my oath of office declare as follows:

1. THAT the attached Affidavit of Michael E. Keeper is an authentic copy of the facsimile received at my office's fax number. This facsimile was received at Montréal, Québec on June 15, 2015 at 12:42 (EST), and the number of the transmitting fax machine is 613-389-8376;
2. THAT the attached Affidavit constitutes a document which forms part of the court file number 500-11-048114-157 and is filed on behalf of my clients, the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson.

MONTREAL, June 15, 2015



NICHOLAS SCHEIB

NOTICE OF PRESENTATION
in support of Petitioners-Mises-en-causes'
**MOTION FOR AN ORDER APPOINTING THE PETITIONERS-MISES-EN-CAUSE AS
REPRESENTATIVES OF SALARIED/NON-UNION AND RETIRED EMPLOYEES OF
THE WABUSH CCAA PARTIES**

TO: **Me Bernard Boucher** (bernard.boucher@blakes.com)
 Me Sébastien Guy (sebastien.guy@blakes.com)
 BLAKE, CASSELS & GRAYDON LLP
 600 de Maisonneuve West, Suite 2200
 Montreal, Quebec H3A 3J2
 Counsel for the Petitioners and the Mises-en-cause (i.e., Wabush CCAA Parties)

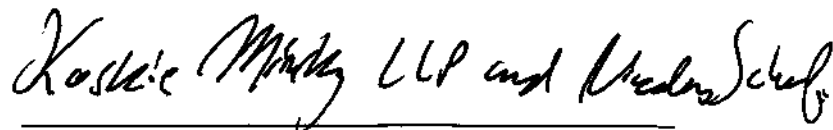
AND TO: **Me Sylvain Rigaud** (sylvain.rigaud@nortonrosefulbright.com)
 NORTON ROSE FULBRIGHT CANADA LLP
 1 Place Ville Marie, Suite #2500
 Montreal, Quebec H3B 1R1
 Counsel for the Monitor

AND TO: SERVICE LIST

TAKE NOTICE that the present *Motion for an Order Appointing the Petitioners-Mises-en-cause as Representatives of Non-union and Retired Employees of the Wabush CCAA Parties* will be presented for adjudication before The Honourable Mr. Justice Stephen W. Hamilton, J.S.C., or another of the honourable judges of the Superior Court, Commercial Division, sitting in and for the district of Montreal, at the Montreal Courthouse located at 1 Notre-Dame Street East, Montreal, Québec, in Room 16.10 (or such other room as may be assigned by the Court in due course), on **June 22, 2015 at 9:15 a.m.** or so soon thereafter as counsel may be heard.

GOVERN YOURSELF ACCORDINGLY.

MONTREAL and TORONTO, June 15, 2015



**KOSKIE MINSKY LLP & NICHOLAS
SCHEIB**

*Attorneys for the Petitioners-Mises-en-cause
Michael Keeper, Terence Watt, Damien Lebel
and Neil Johnson*

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-048114-157

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT,
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LIMITED, CLIFFS QUEBEC IRON
MINING ULC, WABUSH IRON CO.
LIMITED, WABUSH RESOURCES INC.

Petitioners

-and-

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

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON

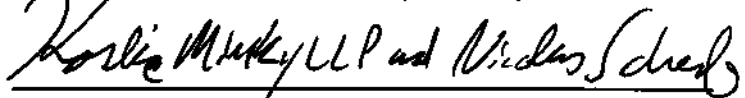
Petitioners-Mise-en-cause

LIST OF EXHIBITS

(In support of the Affidavit of Michael E. Keeper accompanying the *Motion for an Order Appointing the Petitioners-Mises-en-cause as Representatives of Non-union and Retired Employees of the Wabush CCAA Parties*)

Exhibit "A"	Resignation memo of Michael E. Keeper dated January 9, 2001
Exhibit "B"	Correspondence from the company dated April 26, 2001 to Michael E. Keeper
Exhibit "C"	Correspondence from the company dated January 31, 2001 with attached executed copies of Michael E. Keeper's Application for Retirement and Election of Optional Pension (redacted for privacy)
Exhibit "D"	Confirmation statement from CIBC Mellon to Michael E. Keeper February 1, 2015 (redacted for privacy)
Exhibit "E"	Letter from the company dated May 27, 2015 to Michael E. Keeper
Exhibit "F"	Letter from the company dated May 29 2015 regarding " <i>Motion granting priority to certain CCAA charges, approving a sales and investor solicitation process, authorizing the engagement of a sale advisor, amending the sale and investor solicitation process, suspending the payment of certain pension amortization payments and post-retirement employee benefits, extending the stay of proceeding, and amending the Wabush Initial Order</i> "
Exhibit "G"	Actuarial Valuation Report on the Salaried Plan as at January 1, 2014
Exhibit "H"	Salaried Plan text filed with the Superintendent, as at January 1, 1997
Exhibit "I"	Annual Information Return (AIR) on the Salaried Plan as at December 31, 2013

MONTREAL and TORONTO, June 15, 2015



KOSKIE MINSKY LLP & NICHOLAS SCHEIB

Attorneys for the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson

N° / No.: 500-11-048114-157

SUPERIOR COURT
(COMMERCIAL DIVISION)

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

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

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

Petitioners

- and -

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

Mises-en-cause

- and -

FTI CONSULTING CANADA INC.

Monitor

- and -

MICHAEL KEEPER, TERENCE WATT, DAMIEN LABEL & NEIL JOHNSON

Petitioners-Mises-en-cause

Motion for an Order Appointing the Petitioners-Mises-en-cause as Representatives of Salaried/Non-Union and Retired Employees of the Wabush CCAA Parties, Affidavit and Exhibits "A" to "I", Attestation of Authenticity, Notice of Presentation, List of Exhibits

M^{es} NICHOLAS SCHEIB, ANDREW HATNAY AND ARI KAPLAN
Co-Attorneys for the Petitioners-Mises-en-cause Michael Keeper,
Terence Watt, Damien Label and Neil Johnson

AS-0G41

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ORIGINAL