

March 30, 2016

Mr. Paul Chang, FCIA
Partner
Morneau Shepell
7071 Bayers Rd, Suite 3007
Halifax, NS B3L 2C2

Dear Mr. Chang:

**Re: Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited; (the "Plan")
NL Registration Number 0021314**

On May 20, 2015, Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the "Wabush Group") were made subject to proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

On December 16, 2015, the Superintendent of Pensions declared a termination of the Plan.

On March 1, 2016, the Wabush Group (through their legal counsel) requested, in writing, the appointment of a replacement administrator for the Plan on or about March 14, 2016. In this letter, and subsequent correspondence dated March 23, 2016, it was stated that the Wabush Group no longer has the resources available to act as administrator for the Plan.

Pursuant to section 63 of the *Pension Benefits Act, 1997* (the "Act"), where the whole of a pension plan has been terminated and the superintendent is of the opinion that no action or insufficient action has been taken to wind-up the plan, the superintendent may appoint an administrator for the plan.

Based on the request, there is sufficient concern regarding the wind-up of the Plan and I am of the opinion that another administrator should be appointed for the Plan.

Mr. P. Chang
March 30, 2016

I understand from your correspondence, dated March 4, 2016, that Morneau Shepell is willing to act as administrator for the Plan. Therefore, pursuant to section 63 of the Act, **effective the date of issuance of this letter, March 30, 2016, I hereby appoint Morneau Shepell as the administrator for the Plan.**

Please refer to the Act and associated legislation for the duties and responsibilities of an administrator.

Please inform all Plan members of your appointment as soon as possible. No official communication will be issued by this office but any future calls requesting to speak with the administrator will be directed to your firm. I understand that the initial point of contact is Paula Boyd and, when appropriate, I will provide her contact information to enquiring members of the Plan.

As administrator, you are entitled to all pertinent information relating to the Plan, including; plan documentation, agreements with any third-party providers, pension database(s), all previous communication to plan members and stakeholders, documentation filed with regulatory authorities, all previous filings with the monitor and Superior Court relating to the Plan (**including the Pension Claim**), etc. I trust that all parties will co-operate efficiently and completely with the new administrator to minimize any potential disruption to the members. Please notify me immediately if there are any issues.

Once you have an opportunity to familiarize yourself with the Plan I would suggest that we have a meeting to discuss the completion of the wind-up. Please contact me in the next two to three weeks to arrange such a meeting.

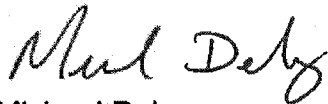
As you are aware, in your role as administrator for the Plan, you are responsible for ensuring that only permitted fees and expenses can be paid from the pension fund. I trust you will ensure that any expenses that are the responsibility of any party to the Plan will continue to be paid appropriately. I request that all expenses paid from the pension fund are filed with this office, within 30 days after the end of the month the expense is paid. However, please be advised that this office will not be approving the expenses – as this is the role of the administrator.

Finally, although the Wabush Group is relinquishing its role as administrator from March 30, 2016, it does not limit in any way the financial obligations of any employer involved in the Plan or any potential liability in respect of the fiduciary responsibilities prior to this date.

Mr. P. Chang
March 30, 2016

I trust this is satisfactory. Should you have any questions or concerns please contact me directly at (709) 729-6014.

Yours truly,



Michael Delaney
Superintendent of Pensions
Pension Benefit Standards Division

cc: Kurt Holland, Cliffs Natural Resources
Clifford Smith, Cliffs Natural Resources
Natalie Bussière, Blakes
Nigel Meakin, FTI Consulting
Michel Drolet, Retraite Québec
Cynthia Gaudreault, Willis Towers Watson
Ann-Marie White, CIBC Mellon
David Charland, Sun Life Financial

March 30, 2016

Mr. Paul Chang, FCIA
Partner
Morneau Shepell
7071 Bayers Rd, Suite 3007
Halifax, NS B3L 2C2

Dear Mr. Chang:

Re: Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited; (the "Plan")
NL Registration Number 0024699

On May 20, 2015, Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the "Wabush Group") were made subject to proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

On December 16, 2015, the Superintendent of Pensions declared a termination of the Plan.

On March 1, 2016, the Wabush Group (through their legal counsel) requested, in writing, the appointment of a replacement administrator for the Plan on or about March 14, 2016. In this letter, and subsequent correspondence dated March 23, 2016, it was stated that the Wabush Group no longer has the resources available to act as administrator for the Plan.

Pursuant to section 63 of the *Pension Benefits Act, 1997* (the "Act"), where the whole of a pension plan has been terminated and the superintendent is of the opinion that no action or insufficient action has been taken to wind-up the plan, the superintendent may appoint an administrator for the plan.

Based on the request, there is sufficient concern regarding the wind-up of the Plan and I am of the opinion that another administrator should be appointed for the Plan.

Mr. P. Chang
March 30, 2016

I understand from your correspondence, dated March 4, 2016, that Morneau Shepell is willing to act as administrator for the Plan. Therefore, pursuant to section 63 of the Act, **effective the date of issuance of this letter, March 30, 2016, I hereby appoint Morneau Shepell as the administrator for the Plan.**

I am aware the federal pension regulator, who is also responsible for regulating the Plan, is issuing a similar decision based on their legislative authority.

Please refer to the Act and associated legislation for the duties and responsibilities of an administrator.

Please inform all Plan members of your appointment as soon as possible. No official communication will be issued by this office but any future calls requesting to speak with the administrator will be directed to your firm. I understand that the initial point of contact is Paula Boyd and, when appropriate, I will provide her contact information to enquiring members of the Plan.

As administrator, you are entitled to all pertinent information relating to the Plan, including; plan documentation, agreements with any third-party providers, pension database(s), all previous communication to plan members and stakeholders, documentation filed with regulatory authorities, all previous filings with the monitor and Superior Court relating to the Plan (**including the Pension Claim**), etc. I trust that all parties will co-operate efficiently and completely with the new administrator to minimize any potential disruption to the members. Please notify me immediately if there are any issues.

Once you have an opportunity to familiarize yourself with the Plan I would suggest that we have a meeting to discuss the completion of the wind-up. Please contact me in the next two to three weeks to arrange such a meeting.

As you are aware, in your role as administrator for the Plan, you are responsible for ensuring that only permitted fees and expenses can be paid from the pension fund. I trust you will ensure that any expenses that are the responsibility of any party to the Plan will continue to be paid appropriately. I request that all expenses paid from the pension fund are filed with this office, within 30 days after the end of the month the expense is paid. However, please be advised that this office will not be approving the expenses – as this is the role of the administrator.

Finally, although the Wabush Group is relinquishing its role as administrator from March 30, 2016, it does not limit in any way the financial obligations of any employer involved in the Plan or any potential liability in respect of the fiduciary responsibilities prior to this date.

Mr. P. Chang
March 30, 2016

I trust this is satisfactory. Should you have any questions or concerns please contact me directly at (709) 729-6014.

Yours truly,



Michael Delaney
Superintendent of Pensions
Pension Benefit Standards Division

cc: Kurt Holland, Cliffs Natural Resources
Clifford Smith, Cliffs Natural Resources
Natalie Bussière, Blakes
Nigel Meakin, FTI Consulting
Benoit Briere, OSFI
Michel Drolet, Retraite Québec
Cynthia Gaudreault, Willis Towers Watson
Ann-Marie White, CIBC Mellon
David Charland, Sun Life Financial



Unclassified – Low Sensitivity

March 30, 2016

OSFI Plan ID: P-W180

Mr. Kurt Holland
Director, Compensation and Benefits
Cliffs Natural Resources
1155 University Street, Suite 508
Montreal, QC H3B 3A7

Dear Mr. Holland:

Subject: Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Lake Railway Company, Limited (the Plan)
OSFI Registration Number: 57777
Pension Benefits Standards Act, 1985 (PBSA)
Pension Benefits Standards Regulations, 1985 (the Regulations)

The purpose of this letter is to inform you that I have appointed a replacement administrator for the Plan effective immediately. My authority for doing this is based on subsection 7.6(1) of the PBSA and section 10 of the *Office of the Superintendent of Financial Institutions Act* (OSFI Act). For your information, attached is an Appendix containing the relevant legislative references.

On March 1, 2016, and subsequent clarification on March 23, 2016, Blake, Cassels & Graydon LLP issued letters on behalf of Wabush Mines to the Newfoundland Superintendent of Pensions and our office requesting the appointment of a replacement administrator for the Plan on the basis that the administrator no longer has the resources necessary to perform the tasks related to the administration of the Plan.

Given this and the ongoing liquidation process under CCAA, I am of the opinion that it is in the best interests of the members and former members, and any other persons entitled to pension benefits under the Plan, that the current administrator be removed and a replacement administrator be appointed pursuant to subsection 7.6(1) of the PBSA.

Consequently, I wish to inform you that effective immediately, I have removed Wabush Mines as the Plan's administrator and have appointed Morneau Shepell as replacement administrator. Pursuant to subsection 7.6(3) of the PBSA, Morneau Shepell is seized of the pension funds as of the date of this notification.



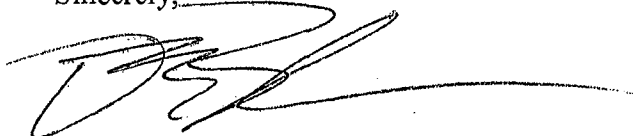
OSFI
BSIF

255 Albert Street
Ottawa, Canada
K1A 0H2
www.osfi-bsif.gc.ca

Canada

If you have any questions or wish to discuss this matter, please contact Chuck Saab at 613-990-8027.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mark Zelmer', written over a horizontal line.

Mark Zelmer
Deputy Superintendent
Office of the Superintendent of Financial Institutions

Att.

Cc: Morneau Shepell
Ann-Marie White, CIBC Mellon
David Charland, Sun Life Financial
Michel Drolet, Retraite Québec
Natalie Bussière, Blakes
Michael Delaney, Newfoundland Superintendent of Pensions
Nigel Meakin, FTI Consulting Inc.
Cynthia Gaudreault, Willis Towers Watson

Legislative References – Pension Benefits Standards Act, 1985

Section 7.6 of the PBSA:

Appointment of a replacement administrator

7.6 (1) If the administrator of a pension plan is insolvent or unable to act or the Superintendent is of the opinion that it is in the best interests of the members or former members, or any other persons entitled to pension benefits under the plan, that the administrator be removed, the Superintendent may remove the administrator and appoint a replacement administrator. A replacement administrator may recover their reasonable fees and expenses from the pension fund.

Notification

7.6 (2) The Superintendent must notify a replaced administrator of their removal as soon as feasible.

Effect of Replacement

7.6 (3) The replacement administrator is seized of the pension fund as of the date of the notification under subsection (2).

Section 10 of the OSFI Act:

Pursuant to section 10 of the *Office of the Superintendent of Financial Institutions Act*, the Superintendent has permitted the Deputy Superintendent to exercise the authority to appoint a replacement administrator.