

MOUNT-WRIGHT CAMP
LEASE AGREEMENT

BETWEEN

8568391 CANADA LIMITED

(AS LANDLORD)

AND

8109796 CANADA INC.

(AS TENANT)

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AGREEMENT OF LEASE ENTERED INTO IN THE CITY OF MONTREAL, PROVINCE OF QUEBEC ON THE 30 DAY OF MARCH, TWO THOUSAND AND FIFTEEN (2015)
("Lease").

BETWEEN: **8568391 CANADA LIMITED**, a corporation duly incorporated under the Canada Business Corporations Act, having its head office at 1155 University Street, Suite 508, Montréal, Québec, H3B 3A7, acting and represented by Clifford Smith, its representative, duly authorized for the purposes hereof as he or she so declares;

(Hereinafter referred to as the "**Landlord**")

AND: **8109796 CANADA INC.**, a corporation duly incorporated under the Canada Business Corporations Act, having its head office at 1801 avenue McGill College, suite 1400, Montréal, Québec, H3A 2N4, acting and represented by Claude Lavoie, its Corporate Secretary and by Daniel D'Auteuil, its Vice President, both duly authorized for the purposes hereof as they so declare;

(Hereinafter referred to as the "**Tenant**")

WHEREAS, on January 27, 2015, the Landlord has sought, as co-petitioner, the issuance of an Initial Order pursuant to the *Companies' Creditors Arrangement Act* in the file bearing no. 500-11-048114-157 of the Quebec Superior Court (the "**Order**");

WHEREAS, said Order was granted on the same day;

WHEREAS, pursuant to the Order, the Landlord has retained ownership and control of all its assets, including the Leased Premises, such term having the meaning ascribed to same below;

WHEREAS, the Landlord intends to lease the Leased Premises to the Tenant subject to the terms and conditions more fully set out below;

WHEREAS, this Lease is subject to approval of the Quebec Superior Court in accordance with paragraph 33(c) of the Order;

NOW THEREFORE, THE LANDLORD AND THE TENANT AGREE AS FOLLOWS:

1. DESCRIPTION OF LEASED PREMISES

1.1 Leased Premises - The Landlord in consideration of the rents, covenants and agreements hereafter contained on the part of the Tenant to be paid, kept and performed, hereby leases to the Tenant and the Tenant does hereby lease from the Landlord the premises identified in the plan attached hereto as Schedule "A" which consists of :

- i. the buildings located on the Land which contain 198 rooms and identified as "Aile E" and "Aile F";

- ii. the main building located on the Land including the cafeteria, the kitchen, gym and lockers and identified as "Accueil et Caf t ria";
- iii. the premises identified as "Passerelle 1"; and
- iv. the water treatment plant, including the pumping station and electrical installation identified as "Parcelle 5" and "Parcelle 6";

(hereinafter collectively referred to as the "**Leased Premises**") and being part of the Mount-Wright mining camp (hereinafter referred to as the "**Building**") erected on the land owned by the Tenant and described in Schedule "B" (hereinafter referred to as the "**Land**").

2. USE OF LEASED PREMISES

2.1 Description - The Leased Premises shall be used to provide lodging and related accessory services to the Tenant's employees. The Tenant, its invitees and employees will be permitted free and uninterrupted access to the Leased Premises, seven (7) days per week, twenty-four (24) hours per day during the Term of the Lease.

2.2 Permits - The Tenant shall obtain all necessary permits and licenses required for its occupancy of the Leased Premises. The Landlord makes no warranties whatsoever regarding zoning permits and licenses which may be required by the Tenant.

2.3 Operation - The Landlord hereby acknowledges and agrees that: (i) the Tenant shall be under no obligation to operate or occupy or cause to be operated or occupied all or any part of the Leased Premises at any time; and (ii) all or any part of the Leased Premises may be closed either temporarily or permanently at any time and for any reason whatsoever.

For greater certainty, the parties agree that should the Tenant stop operating or occupying the Leased Premises, the Tenant shall continue to fulfill its obligations under the Lease, including without limitation, its obligation to maintain and repair the Leased Premises, its security obligations pertaining to the Leased Premises, its obligation to pay the Rent and the other sums payable pursuant to this Lease.

3. TERM OF THE LEASE

3.1 Term - The term of this Lease shall be for a period of twenty-four (24) months (hereinafter referred to as the "**Term**") having commenced on February 1, 2015 (hereinafter referred to as the "**Commencement Date**") and terminating on the last day of January 2017 (hereinafter referred to as the "**Expiration Date**"), unless sooner terminated or extended under the provisions hereof.

3.2 Overholding - If the Tenant has not exercised its option(s) to extend the Term pursuant to Clause 3.3 below, this Lease shall terminate ipso facto and without notice or demand on the Expiration Date stated in Clause 3.1 of this Lease and any continued occupation of the Leased Premises shall not have the effect of extending the Term or of renewing the present Lease for any period of time, the whole notwithstanding any provisions of law to the contrary and the Tenant shall be presumed to occupy the Leased Premises against the will of the Landlord who shall thereupon be entitled to make use of any and all remedies provided by law for the expulsion of the Tenant and for damages, provided, however, that the Landlord shall have the right at its option in the event of such continued

occupation by the Tenant to give to the Tenant at any time written notice that the Tenant may continue to occupy the Leased Premises under a tenancy from month to month in consideration of a rental equal to that provided in Clause 4 hereof plus twenty-five percent (25%) thereof plus all other sums payable as additional rental hereunder for the first three (3) months of the Tenant's occupation of the Leased Premises following the Expiration Date and thereafter in consideration of a rental equal to that provided in Clause 4 hereof plus fifty percent (50%) thereof plus all other sums payable as additional rent hereunder, in each case, payable monthly and in advance and otherwise under the same terms and conditions as are herein set forth.

3.3 Options to Extend the Term - Provided that the Tenant is not in default of its obligations under the Lease beyond the applicable cure period (if any), the Tenant (or an Affiliate of the Tenant (as hereinafter defined) will have three (3) options to renew the Lease with respect to all or any portion of the Leased Premises then subject to the Lease, each for a period of twelve (12) months (each is hereinafter referred to as a "Renewal Option") upon the same terms and conditions, save that there shall be no further options to extend after the expiry of the third Renewal Option and the net rent for each Renewal Option will be as follows:

Option	Rent
1	\$100,000.00 per month
2	\$100,000.00 per month
3	\$100,000.00 per month

The Tenant shall notify the Landlord of its intention to renew the Term of the Lease by sending a written notice by registered mail which must be received by the Landlord at least three (3) months, prior to the expiration of the Term of the Lease (as it may have been extended by a Renewal Option (s)), failing which Renewal Option and all subsequent Renewal Option(s) shall become null and void and of no effect.

3.4 Termination - Notwithstanding any other provision of this Lease, the Landlord or the Tenant shall have the right to terminate the Lease at any time during the Term or Renewal Option provided it notifies the other party with a prior ninety (90) days written notice. The Tenant agrees to surrender the Leased Premises to the Landlord at the expiration of the notice period. The Landlord and the Tenant hereby agree to waive any rights or claims it may have against the other party for any early termination of the Lease.

4. RENT AND ADDITIONAL UNDERTAKINGS OF THE PARTIES

4.1 Amount - Throughout the Term, the Tenant covenants and agrees to pay to the Landlord in lawful money of Canada without deduction, abatement, counter-claim, compensation or set off, a net rent based upon an amount of \$1,200,000.00 per annum, payable in equal consecutive monthly installments of \$100,000.00, plus all applicable taxes, each in advance on the first day of each month.

4.2 Cafeteria Services - The Tenant undertakes to provide cafeteria services to approximately fifty-five (55) of the employees and other invitees of the Landlord, its affiliates or related entities for the months of March and April 2015 and to approximately

thirty-five (35) of the employees and other invitees of the Landlord, its affiliates or related entities for the remainder of the Term of the Lease starting May 1st 2015 at the Fermont mining camp owned by the Tenant and situated in Fermont, Quebec. For the purposes of this section, the expression "invitees" shall exclude any competitors of the Tenant and any suppliers of the Landlord.

4.3 Place of Payment - The rent as herein provided as well as any and all other amounts payable to Landlord under this Lease shall be paid to the Landlord and/or its nominee at the head office of the Landlord at 1155 University Street, Suite 508, Montréal, Québec, H3B 3A7 or at such other place in Canada as shall be designated by the Landlord in writing to the Tenant.

4.4 Net Return - Save as may otherwise be provided for in this Lease, it is intended that the rent provided for in this Lease shall be an absolute net return to the Landlord for the Term and any Renewal Options, free of any and all costs and expenses of any nature whatsoever, taxes and charges with respect to the Leased Premises, other than any income taxes which may be levied against the Landlord. Any amount and any obligation that is not expressly declared herein to be paid or performed by the Landlord shall be paid or performed by the Tenant at the expense of the latter.

4.5 Incapacity of the Tenant - Notwithstanding the foregoing, the Tenant agrees that the monthly instalments of the rent shall be increased to \$150,000 plus all applicable taxes payable in accordance with the terms of this Lease in the event that the Tenant is no longer able, for any reason whatsoever, to provide cafeteria services to the employees or other invitees of the Landlord, its affiliates or related entities.

4.6 Transfer by the Landlord - Notwithstanding the foregoing, the Tenant agrees that the monthly instalments of the rent shall also be increased to \$150,000 plus all applicable taxes payable in accordance with the terms of this Lease in the event that the Landlord, its affiliates or related entities reopen the cafeteria located in the Fermont camp and that all the employees or other invitees of the Landlord, its affiliates or related entities benefiting from cafeteria services offered herein by the Tenant are transferred to such Fermont camp in order to benefit from the cafeteria services from such Fermont camp.

4.7 Undertaking of the Landlord - The Landlord hereby agrees that the employees, or other invitees of the Landlord, its affiliates or related entities benefiting from the cafeteria services of the Tenant shall not be transferred to the Fermont camp only for the purpose of increasing the rent payable under this Lease.

5. ADDITIONAL RENTAL

5.1 Amount - In addition to the net rent, the Tenant shall pay as additional rental to the Landlord one hundred percent (100%) of all taxes and operating expenses of the Leased Premises plus all applicable taxes.

5.1.1 Taxes

5.1.1.1 Within thirty (30) days of receipt by the Tenant from the Landlord of a written statement of the taxes set out in this paragraph, the Tenant will during the Term and any Renewal Option pay to the Landlord, all taxes whether they be special or general, non-residential taxes, surtaxes, property taxes, municipal taxes, school taxes, rates including local improvement rates, duties and assessments of tax on capital attributable to the Leased Premises that may be levied, rated, charged or

assessed against the Landlord, the Leased Premises and/or all equipment and facilities thereon or therein, (except for any equipment, machinery, improvements and facility of the Tenant, the tax, duty and assessment for which shall be due and payable by the Tenant alone in its entirety) whether such taxes, surtaxes, rates, duties or assessments are charged and/or levied by a municipal, parliamentary, school, or any other body of competent jurisdiction (hereinafter collectively referred to as the "**Taxes**"). Upon payment by the Tenant as provided for in this paragraph, the Landlord will pay and will indemnify and keep indemnified the Tenant from and against all Taxes with respect to the Leased Premises.

- 5.1.1.2 If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on the Leased Premises in substitution for or in addition to the Taxes presently levied or imposed in the city, town or municipality or by any other body or competent jurisdiction in which the Leased Premises are situated, then any such new tax or levy shall be included within the term "Taxes" and the provisions of this Clause 5.1.1.1 shall apply *mutatis mutandis*.
- 5.1.1.3 The Taxes shall be adjusted between the Landlord and the Tenant, as at the Commencement Date and Expiration Date.

5.1.2 Operating Expenses

- 5.1.2.1 The Tenant shall pay all operating expenses in relation to the Leased Premises defined as all utilities, insurance, landscaping and snow removal, common area maintenance, repairs and other customary and reasonable expenses for services supplied both to the Leased Premises and the Building's common areas. Except where specifically excluded or limited, the amortized cost of replacements shall be included as part of the operating expenses. The operating expenses will be those which are (i) typically paid by landlords that are operating first-class properties similar to the Leased Premises; and (ii) consistent with prudent and customary methods of operating first-class properties similar to the Leased Premises. The Tenant shall furthermore pay all of the expenses required to keep the exterior of the Leased Premises in good order and condition and to keep lawns and grounds in and about the Leased Premises in good condition, clean and free of snow. For further certainty and notwithstanding the foregoing, the Tenant shall not pay for the surveillance and security services of the Building unrelated to the Leased Premises.
- 5.1.2.2 The Tenant shall pay all of the insurance on the Leased Premises, including buildings, improvements, equipment, as well as liability insurance, and such other insurance taken by prudent landlords in similar circumstances as more fully described below.
- 5.1.2.3 The Landlord may, instead of billing individually for Taxes and other items to be paid by the Tenant, as stipulated in this Clause 5, estimate the amounts payable by the Tenant under the provisions of this Lease for such periods as the Landlord may determine, the Tenant hereby agreeing to pay to the Landlord such amounts in monthly installments in advance during said period together with the rental payments. At the expiration of the period for which such estimated payments have been made, the Tenant shall be advised of the actual amount required to be paid under the provisions of this Lease. If the amounts actually due by the Tenant for such period exceed the amount collected by the Landlord, the Tenant

shall pay same upon receipt of Landlord's billing(s), and if the amounts due by the Tenant for said period are less than the amount actually collected by the Landlord, then the Landlord shall, remit same or credit same to the next ensuing payments of net rent and additional rent due by the Tenant to the Landlord.

5.1.2.4 All sums payable hereunder by the Tenant to the Landlord as net rent, additional rent or otherwise shall be payable without deduction, abatement, counter-claim, set off or compensation whatsoever and shall collectively be referred to as Rent in this present Lease.

5.2 Other Taxes - The Tenant shall be liable for and pay to the Landlord any and all applicable goods and services taxes, sales taxes, value added taxes, or any other taxes imposed by any governmental authority and collectible or payable by the Landlord with respect to the net rent or any other sums payable by Tenant to the Landlord hereunder, or with respect to the rental of space under this Lease, whether characterized as a goods and services tax (example: G.S.T. & Q.S.T.), sales taxes, value added tax, or otherwise (hereinafter referred to as "**Sales Taxes**"), it being the intention of the parties that the Landlord shall not bear any cost with respect to any and all Sales Taxes payable by the Landlord to the authority having jurisdiction.

6. TENANT'S UTILITIES

6.1 Payment by the Tenant - The Tenant shall contract directly with and pay for its electricity, water, heat, gas, telephone, pest control, garbage removal and all public utilities and other services consumed within the Leased Premises, directly to the suppliers or appropriate authorities.

7. TENANT'S TAXES

7.1 Payment by the Tenant - The Tenant will during the Term of this Lease and any Renewal Options pay and discharge, without duplication, all license fees, public utility charges, water taxes, surtaxes, sewer rates, business taxes and other charges, that may be levied and/or charged against the Leased Premises and every tax, surtax, assessment and license fee in respect of any business carried on in the Leased Premises by the Tenant whether such license fees, charges, rates, assessments, taxes and/or surtaxes are levied and/or charged by a municipal, parliamentary, school or any other body of competent jurisdiction, and all charges for public utilities used within the Leased Premises and Tenant will indemnify the Landlord from the payment of all costs, charges and expenses occasioned by such license fees, charges, rates, assessments, taxes and surtaxes.

7.2 New Taxes - All newly implemented taxes, rates and assessments which result from the abolition, replacement of or addition to the Tenant's taxes and other charges or taxes mentioned in Clause 7.1 shall be paid by the Tenant whether or not such taxes, rates, assessments and/or charges, surtaxes are levied and/or charged to the Landlord.

7.3 Responsibility of the Tenant - Should any law or regulation or otherwise of any competent authority decree that the Landlord must pay a certain tax normally paid by the Tenant, or should the method of collection of certain taxes be altered to render the Landlord responsible rather than the Tenant, or should the system of real estate taxation be altered or varied and any one tax, assessment or other levy be levied or imposed on the Leased

Premises or the revenues therefrom or the Landlord in substitution for and/or in addition to any taxes presently levied or imposed, then the Tenant shall reimburse the Landlord for any sum claimed from the Landlord by the competent authorities. Any such new tax, assessment or levy shall be paid by the Tenant whether or not such taxes, assessments, levies and/or charges are levied and/or charged to the Landlord.

8. INSURANCE

Tenant's Insurance

8.1 Obligation of the Tenant - The Tenant covenants that nothing will be done or omitted by the Tenant whereby any insurance policy may be cancelled or the Leased Premises rendered uninsurable.

8.2 Liability Insurance - The Tenant shall, at its own expense, during the Term and any Renewal Option(s), take out and keep in force commercial general liability insurance with coverage for bodily injury, property damage, personal injury, or death, caused by that of the Tenant or those for whom the Tenant is at law responsible, upon or about the Leased Premises to a limit of not less than five million dollars (\$5,000,000) per occurrence or claim and ten million dollars (\$10,000,000) in the annual aggregate.

8.3 General Insurance - The Tenant shall further, at its own expense, during the Term and any Renewal Option(s) take out and keep in force (i) "all risks", including flood and earthquake, insurance upon property of every kind and description owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and which is located within the Leased Premises, and all parts of the Leased Premises which the Tenant is obligated to keep in repair under this Lease, in an amount not less than the full Replacement Cost thereof; (ii) broad form comprehensive boiler and pressure vessel insurance on a blanket repair and replacement basis with limits for each accident in an amount not less than the full Replacement Cost of the property outlined above and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant and in the Leased Premises, or relating to, or serving the Leased Premises; and (iii) any other form of insurance as the Landlord may reasonably require from time to time in form, in whatever amounts and for insurance risks against which a prudent tenant under similar circumstances would insure.

8.4 Certificates - Certificates of such insurance shall be delivered to the Landlord as well as evidence of renewal or replacement if any within five (5) business days of any required insurance policies.

8.5 Acknowledgement of the Tenant - The Tenant hereby agrees and understands that the placing of such insurance shall in no way relieve the Tenant from any obligation assumed under this Lease.

8.6 Cancellation of Insurance - The Tenant shall provide Landlord thirty (30) days written notification of cancellation of any of the required insurance, prior to policy expiration.

Landlord's Insurance



8.7 Liability Insurance - The Landlord, its affiliates or related entities shall, during the Term and any Renewal Option(s), use commercially reasonable efforts to take out and keep in force, in the name of the Landlord, showing the Tenant as an additional named insured under the Landlord, its affiliates or related entities' liability insurance policy solely in respect of the Tenant's use or operations in connection with the Leased Premises or the parties' obligations under this Lease, as its interest may appear, commercial general liability insurance against claims for bodily injury, property damage, contractual liability, personal injury or death suffered by others upon or in the Leased Premises or in the vicinity thereof, or by reason of the occupancy thereof by the Tenant, with such exclusion and for such amounts as may be customarily effected and maintained by prudent owners and operators of properties in the same locality as the Leased Premises of similar type, size and use, but in any event for an amount of at least Five Million Dollars (\$5,000,000.00) per occurrence.

8.8 General Insurance - The Landlord shall further, during the Term, take out and keep in force, in the name of the Landlord (i) casualty and "all risks", including earthquake and flood, the Leased Premises and all property of the Landlord located therein, or for which the Landlord is legally liable, or installed by or on behalf of the Landlord and which is located on the Leased Premises, on a full Replacement Cost basis; and (ii) any other form of insurance as the Landlord may reasonably consider from time to time in form, in whatever amounts and for insurance risks against which a prudent owner under similar circumstances would insure.

8.9 Costs - The Tenant shall reimburse the Landlord for the costs relating to the insurance described in Clauses 8.7 and 8.8 above. Upon receipt by the Tenant of an invoice for any premium or other sum of money payable for maintaining such insurance, the Tenant shall promptly pay the same by the due date thereof, failing which the Landlord shall be entitled to pay such amount and any amount so paid shall be charged to the Tenant and bear interest at the prime rate of The Royal Bank of Canada plus five percent (5%) per annum, compounded monthly from such due date until payment. The Tenant will be provided by the Landlord with detailed certificates of insurance as evidence of the insurance coverage in force in accordance herewith. Upon written request of the Tenant and in any event at least thirty (30) days prior to the expiration of any policy of insurance, the Landlord will furnish the Tenant with renewal certificates of insurance.

8.10 Deductible - The Tenant shall be responsible for any deductible amount (which is consistent with industry standards from time to time) payable under the insurances required to be maintained pursuant to this Lease.

8.11 Replacement Cost - In this Clause 8 "Replacement Cost" means the cost of repairing, replacing or reinstating all items of the Leased Premises and of property with materials of like kind and quality on the same or a similar site, without deduction for physical or accounting or any other depreciation.

8.12 Acknowledgement of the Tenant - The Tenant hereby agrees and understands that all the insurances required to be maintained pursuant to this Lease shall in no way relieve the Tenant from any obligation assumed under this Lease.

9. MAINTENANCE AND REPAIRS

9.1 Tenant Obligations - The Tenant shall operate, maintain and keep the Leased Premises including all facilities, equipment and services, both inside and outside, in such good order and condition, as they would be kept by a careful owner, and shall promptly make all needed repairs and replacements to the Leased Premises which a careful owner

would make, subject to normal wear and tear. The Tenant will use the Leased Premises with prudence and diligence and will keep the Leased Premises and all improvements thereon in first class condition. The Tenant shall be responsible to effect at its sole cost and expense any and all repairs within the Leased Premises which result from the act, omissions, misuse or neglect thereof, of the Tenant, its invitees, customers, employees or those for whom the Tenant is at law responsible to the complete exoneration of the Landlord.

9.2 Equipment - The Tenant shall not bring upon the Leased Premises any machinery, equipment, article or thing that by reason of its weight or size might damage the Leased Premises.

9.3 Cafeteria and Cleaning services - The cafeteria and cleaning services of the Leased Premises shall be performed by the current service provider at the Tenant's sole cost and expense. The Tenant shall have the right to change such service provider, subject to a thirty (30) days prior written notice to the Landlord and provided the quality of services of the new service provider is similar to the services of the current service provider. All services shall be paid by the Tenant directly to the service provider.

10. ENVIRONMENT

10.1 Hazardous Materials - Landlord represents and warrants that as of the Commencement Date the Leased Premises are in compliance with all environmental laws and there are no hazardous materials present in, on, under or about the Leased Premises that are in violation of applicable laws. Landlord will indemnify the Tenant and assume full responsibility regarding any non-compliance of environmental laws and presence of hazardous materials in, on, under or about the Leased Premises. Landlord will, at no cost to Tenant, remedy any existing or future hazardous materials violations in, on or under the Leased Premises, except to the extent the violations are the result of Tenant's acts or those for whom the Tenant is at law responsible.

10.2 Obligations of the Tenant - The Tenant agrees to use and occupy the Leased Premises in accordance with all environmental laws and agrees not to generate, store, use or otherwise bring any hazardous materials on the Leased Premises except in accordance with all applicable laws and shall indemnify Landlord and assume full responsibility regarding any hazardous materials brought upon the Leased Premises by Tenant or those for whom the Tenant is at law responsible.

11. IMPROVEMENTS AND SURRENDER OF THE LEASED PREMISES

11.1 Improvements - The Tenant shall not make any additions, alterations or changes whatsoever in and to the Leased Premises during the Term or any Renewal Option without the prior written consent of the Landlord.

11.2 Surrender of Leased Premises - The Tenant will surrender the Leased Premises to Landlord in a clean condition, subject to normal wear and tear but shall repair damages to the Leased Premises due to the acts of the Tenant or those for whom the Tenant is at law responsible, including any damage resulting from Tenant's vacating the Leased Premises that are not considered normal wear and tear. The Tenant shall at or prior to the expiration of the Term, remove its moveable property from the Leased Premises and the Tenant shall repair any damage caused by such removal. Any such property not removed at the expiration of the Term of the Lease shall, at Landlord's choice, either be considered

Landlord's property, without compensation or be removed at the cost of the Tenant and without any liability of the Landlord as a result of such removal.

12. INSPECTION AND ACCESS

12.1 Inspection - The Landlord and its agents shall have the right, at all reasonable times, and upon reasonable written notice, except in the event of an emergency when no notice shall be required, during the Term of this Lease and any Renewal Options to enter the Leased Premises to examine the condition and to ascertain whether the Tenant is performing its obligations, and the Tenant shall make any repairs which the Landlord deems necessary as a result of such examination in accordance with the terms of this Lease. If the Tenant fails to make any such repairs within thirty (30) days after notice from the Landlord requesting the Tenant to do so, provided that such repairs may reasonably be made within the said period, the Landlord may without prejudice to any other rights or remedies it may have, make such repairs and charge the cost to the Tenant plus an additional fifteen percent (15%) fee. Nothing in this Clause 12 shall be construed to obligate or require the Landlord to make any repairs. The Landlord shall have the right at any time to make any repairs deemed by the Landlord, acting reasonably, to be urgently required without notice to the Tenant and charge the cost thereof to the Tenant. Any costs chargeable to the Tenant hereunder shall be payable forthwith on demand as additional rent and shall bear interest at the greater of the prime rate of the Royal Bank of Canada plus Five percent (5%) per annum, compounded monthly from the date on which same were incurred until payment.

12.2 Access - Notwithstanding any provision of law to the contrary, including, without limitation, Article 1865 of the *Civil Code of Quebec*, or any similar legislation, the Landlord and its agents shall have the right of access to the Leased Premises, to perform such work as it chooses to do upon the Leased Premises and the Tenant renounces to any claim for any indemnity or diminution of rent, provided the work is carried out with reasonable diligence.

12.3 Right of the Landlord - The Landlord and its agents shall have the right to exhibit the Leased Premises from time to time to any third party, including without limitation, any prospective mortgagee, hypothecary creditor, purchaser or prospective tenant or assignee of the Landlord, its affiliates or related entities, at all reasonable hours and upon twenty-four (24) hours prior notice to the Tenant.

13. RULES AND REGULATIONS

13.1 Compliance of the Tenant - The Tenant shall, at its own expense, promptly comply with the requirements of every applicable statute, law, by-law and ordinance and with every applicable lawful regulation or order with respect to the use or occupation of the Leased Premises by the Tenant.

13.2 New Rules and Regulations - The Landlord shall have the right to make reasonable rules and regulations from time to time for the safety, care, cleanliness and proper administration of the Leased Premises, and for the preservation of good order therein, and the same shall be observed and respected by the Tenant provided same do not conflict with the terms of this Lease. All such rules and regulations shall form part of this Lease.

14. SIGNS

14.1 Exterior Signs - All exterior signs shall be subject to the Landlord's prior written approval, acting reasonably. Upon approval, the costs of installation and dismantling will be at the Tenant's expense.

14.2 General Conditions - All such signs shall comply with the lawful requirements of municipal and governmental authorities. No flashing or audible signs are permitted. The text of any sign will be limited to the Tenant's name, logo and/or crest. No advertising will be permitted on signs. Any damage to the Leased Premises resulting from the installation or dismantling of said sign(s) shall be at Tenant's sole cost and expense.

15. INDEMNIFICATION

15.1 No Liability of the Landlord - Notwithstanding any provision of law to the contrary and except as limited hereunder, the Landlord shall not be liable nor responsible for any injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent or customer of the Tenant or any person for whom the Tenant is responsible at law or any person the Tenant allows or tolerates to use or to have access to the Leased Premises, the Building or Land or for any loss of or damage to any property belonging to the Tenant or to its employees or to any other person while such property is on the Leased Premises, save and except if same is caused by Landlord's intentional fault or gross negligence.

15.2 No Abatement of Rent - There shall be no counter-claim, abatement from, reduction of or set off against the Rent due hereunder for any reason whatsoever. The Tenant shall not be entitled to damages, costs, losses, or disbursements from the Landlord on account of fire, lightning, tempest or any similar peril. Neither shall there be any abatement, reduction or set-off of Rent nor any claim by the Tenant against the Landlord on account of damages caused by interruption of heat, air conditioning, electric light, power, water, plumbing, sewage, or any other service, nor on account of any damage or annoyance occasioned by water, snow, or ice being upon or coming through the roof, windows or otherwise, or by any defect or break in any pipes, tanks, fixtures, wiring, or otherwise including whereby steam, water, snow, smoke or gas, leak, issue or flow into the Leased Premises, nor on account of any damage or annoyance arising from any acts, omissions, or negligence of owners or occupants of adjacent or contiguous property, or anything or service therein or thereon, or contiguous thereto provided the same shall be made with reasonable expedition.

15.3 No Damages - The Landlord shall not be liable for any damage to or loss, theft, or destruction of property, or death of, or injury to, persons at any time being on the Leased Premises, howsoever occurring, except if determined by a competent court of law to result from the Landlord's negligence. In no event, shall the Landlord be liable for consequential damages, including loss or interruption of the Tenant's business.

15.4 Indemnification - The Tenant will indemnify the Landlord, its directors, officers, employees and agents and save them harmless from all loss, claims, actions, damages, liability and expenses in connection with damage to property or any other loss arising from this Lease, or any occurrence in, on, or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant, its officers, servants, employees, agents, contractors, invitees, licensees or any persons for whom the Tenant is responsible in law or by any person allowed or tolerated to use or to have access to the Leased Premises, by the Tenant. However, the Tenant is not required to indemnify the Landlord, its directors, officers, employees and agents or save them harmless from loss, claims, actions, damages, liability

or expenses when they arise directly from the intentional fault or gross negligence of the Landlord.

16. DEFAULT

16.1 Tenant's Default - The Landlord and Tenant agree that time is of the essence. In addition to any other circumstances where the Tenant is in default by operation of law, the mere fact that the Tenant shall not have fulfilled any obligation incumbent upon it under the terms hereof within the delay provided shall constitute the Tenant in default in accordance with the provisions of Articles 1594 and following of the *Civil Code of Quebec* or any similar or replacement legislation. The failure of the Landlord to insist upon the strict performance of any of the agreements, terms, covenants and conditions of this Lease shall not be deemed a waiver of any rights of the Landlord.

16.1.2 Payment of Rent - Throughout the Term of this Lease and any Renewal Options, it is the Tenant's sole responsibility to insure that the monthly rentals be received by the Landlord not later than the first day of each month. Any payment not received by the Landlord on the first of each month will be considered a late payment.

16.1.3 Events of Default - Without prejudice to all of the rights and recourses available to the Landlord, each of the following shall be considered an event of default under the terms of this Lease;

16.1.3.1 default in the payment of rent or additional rent or any other sum due under this Lease, as and when the same becomes due unless such default is cured within FIVE (5) business days of written notice to the Tenant. Upon the occurrence of THREE (3) or more instances of late payments by the Tenant, no further notice will be required in order for such default to be considered an event of default hereunder;

16.1.3.2 the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or files or makes or causes to be filed or made, as the case may be, any notice of intention to file a proposal, an assignment, a plan or arrangement with, to or in respect of, its creditors, or a receiver or a receiver manager or an interim receiver or a coordinator is appointed for all or a part of the property of the Tenant, or the Tenant or any coordinator, monitor, receiver manager, interim receiver or trustee in bankruptcy of or in respect of the Tenant, disaffirms, disclaims, repudiates, terminates or in any way modifies or attempts to disaffirm, disclaim, repudiate, terminate or modify this Lease or any of the terms or conditions hereof (including, without limitation, payment of rent), or steps are taken or proceedings are instituted for the dissolution, winding up or other termination of the Tenant's existence or the liquidation of its assets; or

16.1.3.3 in the event that the Tenant shall be in default in observing any of its covenants contained in this Lease and/or performing any of its obligations contained in this Lease (other than a default in the payment of rent or additional rent) and such default shall continue for TEN (10) days after written notice specifying such default shall have been given to the Tenant by the Landlord, and Tenant shall have failed to commence all steps reasonably necessary to rectify said defaults and shall diligently pursue same, unless such default is incapable of being remedied with due diligence within such

period of TEN (10) days, in which case the Tenant shall be entitled to such reasonable extension of time to enable such default to be remedied, the length of which shall be at the Landlord's discretion or within the limits of feasibility.

16.1.4 Failure to Make Payments - An event of default shall also occur, should the Tenant fail to pay any taxes, insurance premiums, charges or debts, which it owes and has herein covenanted to pay. In such event, the Landlord may pay the same and shall be entitled to charge the sums so paid to the Tenant who shall pay them forthwith on demand, as additional rent and the Landlord, in addition to any other rights, shall have the same remedies and may take the same steps for the recovery of all such sums as it may take for the recovery of rent in arrears under the terms of this Lease.

16.1.5 Options of the Landlord - Notwithstanding any provision of law to the contrary, upon the occurrence of any event of default, the full amount of the current month's Rent and the Rent for the next three (3) months shall immediately become due and payable as accelerated rent and, at the option of the Landlord, this Lease shall be *ipso facto* terminated without judicial proceedings and the Landlord, to the extent permitted by law, may immediately enter and repossess the Leased Premises and expel all persons from the Leased Premises and may remove all property from the Leased Premises, sell or dispose of it as the Landlord considers appropriate, or store it in a public warehouse or elsewhere at the cost of the Tenant, all without service of notice, without legal proceedings and without liability for loss or damage and wholly without prejudice to the rights of the Landlord to recover arrears of rent or damages for any antecedent default by the Tenant of its obligations or agreements under this Lease or of any term or condition of this Lease, and wholly without prejudice to the rights of the Landlord to recover from the Tenant any and all damages sustained by the Landlord, including but not limiting to, loss of rent suffered by reason of this Lease having been prematurely terminated.

16.1.6 Recourses of the Landlord - Notwithstanding any provision hereof or any custom or legislation to the contrary, during the continuance of any event of default, the Tenant, at the Landlord's sole discretion, shall be prohibited and shall immediately cease all selling, retailing, renting or other business operation in or from the Leased Premises and the Landlord shall be entitled to exercise any recourse available to prevent the Tenant from doing any of the foregoing, including, without restriction, seizure and injunctive proceedings.

16.1.7 Arrears - All arrears of rent and additional rent and any amount paid by the Landlord on behalf of the Tenant shall bear interest at the prime rate of the Royal Bank of Canada plus FIVE percent (5%) per annum payable and compounded monthly until paid in full by the Tenant to the Landlord.

16.2 Landlord's Default - If Landlord shall, from time to time, fail to perform any of the obligations required of Landlord under this Lease, within thirty (30) days after receiving written notice from Tenant thereof or, if the same cannot reasonably be cured within thirty (30) days after receiving written notice from Tenant thereof, if Landlord shall fail to promptly commence and diligently attempt to remedy the default in question, Tenant may exercise its rights and remedies as may be available under this Lease or at law, may, in its sole discretion:

16.2.1 Performance by the Tenant - as applicable, perform such obligation(s) of Landlord in accordance with the provisions of this Lease in such manner as Tenant deems reasonably necessary on behalf of, and at the reasonable expense of Landlord which expense shall bear

interest following receipt of written demand from Tenant at the prime rate of the Royal Bank of Canada plus FIVE percent (5%) per annum payable and compounded monthly until paid in full by the Landlord to the Tenant; and/or

16.2.2 Recourses of the Tenant - bring suit for the collection of any amounts for which Landlord is in default, seek injunctive relief, or seek specific performance for any other covenant or agreement of Landlord.

17. NO SUBLEASE OR ASSIGNMENT

17.1 No Right to Assign or Sublease - The Tenant shall not have the right to sublet all or any portion of the Leased Premises nor the right to assign its rights in the present Lease. Notwithstanding the foregoing, the Tenant shall have the right to sublet all or any portion of the Leased Premises or the right to assign its rights in the present Lease to a member of its group, as such term is defined in the *Canada Business Corporations Act*.

17.2 Solidarity - Notwithstanding such subletting and assignment and Article 1873 of the *Civil Code of Quebec* or any legislation of similar effect, in the event of any assignment of the Lease or subleasing of the Leased Premises, in each case, the Tenant shall remain solidarily liable with such subtenant or assignee for the due and timely fulfillment and performance of all the terms and conditions of the present Lease during the Term and any renewal or extension thereof without the benefit of division, discussion or subrogation.

18. LANDLORD'S ASSIGNMENT

18.1 Right of the Landlord - The Landlord may assign its rights under this Lease to a lending institution as collateral security and in the event that such an assignment is given following notification to the Tenant, it is expressly agreed that this Lease shall not be canceled or modified for any reason whatsoever without the consent in writing of such lending institution.

18.2 Confirmation of the Tenant - The Tenant will upon request of the Landlord furnish each creditor under a mortgage, hypothec or trust deed of hypothec, mortgage or pledge or to any prospective acquirer of the Leased Premises a written statement that this Lease is in full force and effect, that the Landlord has complied with all its obligations under this Lease and any other reasonable written statement, document or estoppel certificate requested by any creditor and/or acquirer.

18.3 Assignment to Third Party - The Landlord shall have the right at its sole discretion to assign its rights and obligations under this Lease or otherwise transfer the Leased Premises and the Building to a third party without obtaining the consent of the Tenant. The Landlord shall inform the Tenant within ten (10) days of any such assignment or transfer.

19. DESTRUCTION OF LEASED PREMISES

19.1 Rights and Obligations of the Parties - Provided, and it is hereby expressly agreed that if and whenever during the Term hereby leased, or any renewal thereof, the Leased Premises or the Building shall be destroyed or damaged by fire, lightning or tempest, or any of the other perils required to be insured against under the provisions of this Lease, then and in every such event:

- 19.1.1 If the damage or destruction is such that the Leased Premises, or the Building, is rendered wholly or partially unfit for occupancy or it is impossible or unsafe to use and occupy and if in either event the damage in the opinion of the Landlord, notice of which is to be given to the Tenant within thirty (30) days of the happening of such damage or destruction, cannot be repaired with reasonable diligence within two hundred and seventy (270) days from the happening of such damage or destruction, then either the Landlord or the Tenant may within five (5) days next succeeding the giving of the aforementioned notice by the Landlord, terminate this Lease by giving to the other notice in writing of such termination, in which event this Lease and the term hereby leased shall cease and be at an end as of the date of such destruction or damage and the rent and all other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to the date of such destruction or damage. In the event that neither the Landlord nor the Tenant so terminate this Lease, the Landlord shall repair the said Building with all reasonable speed and the rent hereby reserved shall abate from the date of the happening of the damage until the damage shall be made good to the extent of enabling the Tenant to use and occupy the Leased Premises.
- 19.1.2 If the damage be such that the Leased Premises is wholly unfit for occupancy, or if it is impossible or unsafe to use or occupy it, but, if in either event, the damage, in the opinion of the Landlord, can be repaired with reasonable diligence within two hundred and seventy (270) days of the happening of such damage, the Landlord is to give notice of its decision to repair to the Tenant within thirty (30) days from the happening of such damage and the rent hereby reserved shall abate from the date of the happening of such damage until the damage shall be made good to the extent of enabling the Tenant to use and occupy the Leased Premises and the Landlord shall repair the damage with all reasonable speed unless the damage or destruction is due to the acts or omissions of the Tenant or for those whom the Tenant is at law responsible in which case there shall be no abatement of rent.
- 19.1.3 If, in the opinion of the Landlord, the damage can be made good, as aforesaid, within two hundred and seventy (270) days of the happening of such destruction or damage and the damage is such that the Leased Premises is capable of being partially used for the purposes for which it is hereby leased, then until such damage has been repaired the rent shall abate in the proportion that the Leased Premises is rendered unfit for occupancy bears to the whole of the Leased Premises and the Landlord shall repair the damage with all reasonable speed unless the damage or destruction is due to the acts or omissions of the Tenant or for those whom the Tenant is at law responsible in which case there shall be no abatement of rent.

19.2 Landlord's Obligations to Repair - Should any mortgage creditor who may have an interest in any insurance proceeds refuse to permit the use of such proceeds for the repair, replacement, rebuilding and/or restoration as hereinabove provided and for the payment of amounts expended for such purposes, then the Landlord's obligation to repair or rebuild as provided for hereinabove shall cease and shall be null and void and the Lease shall be canceled effective as of the date of the damage, unless the Landlord, at the Landlord's sole option, chooses to repair and rebuild in which latter event, rent shall abate from the date of the happening of such damage, until the damage shall be made good to the extent of enabling the Tenant to use and occupy the Leased Premises.



19.3 Abatement of Rent - Notwithstanding any provision of this Lease, if the Tenant's occupancy of the Leased Premises, or any part thereof, is prevented as a result of damage or destruction to the Leased Premises, for a period in excess of three (3) full calendar days, the Rent will be abated as of the date of the interruption or casualty unless the interruption or casualty was caused by the acts or omissions of the Tenant in which case there shall be no abatement.

20. EXPROPRIATION - In the event that all or any part of the Leased Premises is expropriated, the parties shall be governed by Section 1888 of the Civil Code of Québec or any legislation in replacement thereof, the whole without any claim by the Tenant against the Landlord for any loss or damages occasioned by said eviction and/or loss of use.

21. EXPIRATION OF LEASE - The rights and obligations of the Landlord and the Tenant in respect of obligations which arose or existed prior to or at the expiry of the Term or other termination of this Lease shall survive such expiry or other termination. In particular and without limitation, the expiry or other termination of this Lease shall not prejudice in any manner the Landlord's rights in respect of arrears of rent, the right of each party to recover damages in respect of a default by the other occurring prior to or at the expiry or other termination of the term of this Lease or the right to indemnification of the Landlord, or the Tenant, their directors, officers and employees (while in the ordinary course of their employment) and agents of the Landlord or the Tenant, in respect of occurrences prior to or at the expiry or other termination of the term of this Lease.

22. SECURITY DEPOSIT - No security deposit or any prepayment of Rent will be required under this Lease.

23. REGISTRATION - Tenant shall be permitted to register this Lease for the Leased Premises by summary at Tenant's expense. Such registration shall be subject to Landlord's reasonable prior approval and shall not contain any financial information. Upon termination of the Lease, the Tenant undertakes to promptly cancel at its own costs any registration of the Lease.

24. TENANT'S PROPERTY - Tenant's property will include Tenant's furniture, furnishings, business machines and equipment, communications equipment, and such other property as may be required in the conduct of Tenant's business. Tenant will have the right, but not the obligation, to remove Tenant's property at any time, to finance the purchase thereof, to grant security interests therein, and otherwise to encumber it. Landlord shall not be entitled to have a lien on any of Tenant's property and shall execute any waiver of such lien as may be required by applicable laws.

25. NOTICES

25.1 Address for Notices - Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Lease shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by fax, email or other similar means of electronic communication, in each case to the applicable address set out below:

(a) if to the Tenant, to:

24 boul. des Îles, Suite 201
Port-Cartier (Québec) G5B 2H3, Canada
Attention: Legal Department

Tel. : 418-766-2000 poste 2126 I
Fax : 418-768-2038
E-mail: claudelavoie@arcelormittal.com

(b) if to the Landlord to:

Cliffs Quebec Iron Mining Limited
1155 University Street, Suite 508
Montreal, Québec H3B 3A7
Attention: Saverio D'Amico, Eng., Sourcing Manager, Global Infrastructure
Capital
Fax : 514-393-9041
E-mail: Saverio.D'Amico@CliffsNR.com

25.2 Deemed Delivery of Notice - Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, emailing (with an acknowledgement of receipt) or sending by other means of recorded electronic communication, provided that such day in either event is a business day and the communication is so delivered, faxed or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following business day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth business day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

25.3 Change of Address - Any party may from time to time change its address under this section by notice to the other party given in the manner provided by this section.

26. SEVERABILITY

26.1 Severability of Provisions - If a part of this Lease or the application of it to a person or such circumstances is to any extent held or rendered invalid, unenforceable or illegal, such part: (i) is independent of the remainder of this Lease and is severable from it, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Lease; and, (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any person and circumstance except those as to which it has been held or rendered invalid, unenforceable or illegal.

26.2 Headings - The descriptive headings of this Lease are inserted for convenience of reference only and do not constitute a part of this Lease.

26.3 Rules of Construction - Words importing the singular number only shall include the plural and vice-versa and words importing the masculine gender shall include the feminine gender and words importing persons shall include corporations and unless the contrary intention appears. The word "Tenant" wherever it appears in this Lease shall mean "Tenant, its directors, successors, assignees, officers, employees, agents, contractors and any person for whom the Tenant is responsible at law and any person the Tenant allows or tolerates to use or to have access to the Building, the Land or Leased Premises", and if there is more than one Tenant or the Tenant is a female person or a corporation, this Lease shall be read with all grammatical changes appropriate by reason thereof; The word "Landlord" wherever

it appears in this Lease shall mean "Landlord, its directors, successors, assignees, officers, employees, agents, contractors and any person for whom the Landlord is responsible at law; and all covenants, liability and obligations shall be solidary without the benefit of division, discussion or subrogation.

27. ADDITIONAL CONDITIONS

27.1 Conditional Lease - This Lease is conditional on the prior approval of Quebec Superior Court in accordance with paragraph 33(c) of the Order. Should this Lease not be approved in accordance with the terms and conditions of the Order, the parties agree that this Lease will be considered null and void without any force or effect.

27.2 Entire Agreement - There are no covenants, promises, agreements, conditions, representations, inducements, parallel, accessory or concomitant agreements or understandings, either oral or written, between the parties concerning this Lease, the Leased Premises, or any matter related to any of them, except those set out in this Lease. All representations, promises, guarantees and inducements made by the Landlord or its agents or representatives, if any, and upon which the Tenant has relied, are contained in this Lease and the Tenant expressly acknowledges, for now and always, that it did not rely on any other representation, promise, guarantee or incitement which is not contained in this Lease. No alteration, amendment, change or addition to this Lease is binding upon the Landlord unless it is in writing and signed by the Tenant and an authorized representative of the Landlord.

27.3 Governing Laws - This Lease will be construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein.


27.4 Estoppel Certificate - Upon request and within FIFTEEN (15) business days following written notice from the Landlord or Tenant, either party shall execute, acknowledge and deliver to such party or to any prospective purchaser or hypothecary creditor a statement in writing, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (b) stating the date to which the Rent and other charges are paid; and (c) acknowledging that there are not, to the actual knowledge of the person executing such certificate, any uncured defaults on the part of the other hereunder, or specifying such defaults, if any, which are claimed. Any such statement may be conclusively relied upon by either party or by any prospective purchaser or encumbrancer of the Leased Premises. Such certificates shall not affect, prejudice or waive any rights or remedies of the party executing the certificate against the other party.

27.5 Language - The parties hereto have expressly required that the present Lease as well as all notices, legal proceedings or other documents made pursuant hereto be drafted in English. *Les parties expressément demandent que le présent bail, ainsi que tout avis, procédure judiciaire ou autre document fait à la suite des présentes, soient rédigés en anglais.*

27.6 Quiet enjoyment - Landlord shall ensure that the quiet and peaceful enjoyment of the Leased Premises by the Tenant is not interrupted, disturbed or hindered by demands or claims from the Landlord or from any person being legally bound to Landlord or any other third party. Landlord shall do everything which is reasonable within the limits of its power, including taking appropriate legal measures to cause the cessation of any impediment to the enjoyment by the Tenant of the Leased Premises caused by tenants of the Building and to prevent damage to the Leased Premises by any said tenant.

IN WITNESS WHEREOF, the parties hereto have signed the foregoing Agreement of Lease on the day and year hereinbefore set forth.

8568391 CANADA LIMITED

Per: 
Clifford Smith
(Landlord)

8109796 CANADA INC.

Per: 
Claude Lavoie
Corporate Secretary

Per: 
Daniel D'Auteuil
Vice President
(Tenant)

SCHEDULE "A"

Plan

Handwritten signature or initials in the bottom right corner of the page.

SCHEDULE "B"

Land

Subdivision lot number 9 of original lot Block F (F-9 of Block F), Township of Normanville,
Registration Division of Saguenay

