

TRANSACTION AGREEMENT

Entered into by and between: **THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP**, represented herein by Clifford T. Smith, Executive Vice-President of its general partner, Bloom Lake General Partner Limited;

(hereinafter "**Bloom Lake L.P.**")

And: **SMS EQUIPMENT INC.**, represented herein by Alain Bédard, its Vice-President Operations;

(hereinafter "**SMS**")

WHEREAS an *Initial Order* (as subsequently amended, rectified and/or restated, hereinafter the "**Initial Order**") was rendered by Justice Martin Castonguay of the Superior Court for the district of Montréal (hereinafter the "**CCAA Court**") on January 27, 2015 pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (hereinafter the "**CCAA**") in favour of Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Quebec Iron Mining ULC and Mises-en-cause Bloom Lake L.P. and Bloom Lake Railway Company Limited (hereinafter collectively the "**Bloom Lake CCAA Parties**");

WHEREAS FTI Consulting Canada Inc. was appointed monitor of the Bloom Lake CCAA Parties (hereinafter the "**Monitor**") pursuant to the Initial Order;

WHEREAS Bloom Lake L.P. is the owner of a complete unit of machinery referred to as "RH340 Bucket" bearing serial number 36886/6 SM 1/09 CH 111 25CRM04 (the "**Equipment**").

WHEREAS on or about July 24, 2014, SMS was retained to proceed with various repair and maintenance work on the Equipment;

WHEREAS as a result of this work, SMS has invoked against Bloom Lake L.P., and the Bloom Lake CCAA Parties as applicable, the right pursuant to Article 1592 of the *Civil Code of Québec* to retain the Equipment, which is still in its possession, until the payment of its claim for the repair and maintenance work on the Equipment;

WHEREAS SMS's claim in relation to the repairs and maintenance work done on the Equipment amounts to approximately US\$523,046.05, including taxes (the "**SMS Claim**");

WHEREAS SMS and Bloom Lake L.P. (hereinafter collectively the "**Parties**") have agreed to fully settle out-of-court the SMS Claim in exchange for the transfer and surrender of the ownership of the Equipment to SMS pursuant to the terms and conditions provided herein;

WHEREFORE THE PARTIES AGREE AS FOLLOWS:

1. The preamble of the present Transaction Agreement (hereinafter this "Agreement") forms an integral part hereof.
2. Subject to the CCAA Court's authorization, Bloom Lake L.P. hereby agrees and undertakes to transfer and surrender the ownership of the Equipment to SMS, free and clear of all charges, in full and final settlement of the SMS Claim.
3. SMS acknowledges that the transfer of the ownership of the Equipment shall only become effective when and if authorized by the CCAA Court pursuant to Section 36 of the CCAA.
4. Upon the execution of this Agreement, the Bloom Lake CCAA Parties undertake to file a motion with the CCAA Court in order to obtain the CCAA Court's authorization to dispose of the Equipment, the CCAA Court's order that the Equipment is transferred to SMS free and clear of all charges, and its declaration that SMS is the owner of the Equipment pursuant to such transfer, the whole as set forth in this Agreement.
5. Upon the transfer of the ownership of the Equipment, SMS and the Bloom Lake CCAA Parties hereby mutually and irrevocably give and grant to each other and their respective directors, officers, employees, shareholders, agents, assigns, parent companies, subsidiaries, corporations of the same group, insurers, and any related third party, a full, final and complete release and discharge of all rights, recourses, causes of action, damages and claims of any nature whatsoever that they have or might pretend to have, whether past, present or future, arising out of or resulting directly or indirectly from the SMS Claim and the Equipment, and hereby renounce to all and any recourses and claims of any nature whatsoever related directly or indirectly against each other.

For greater certainty, the respective rights, recourses, causes of action, damages and claims of any nature whatsoever of each of SMS and the Bloom Lake CCAA Parties related to the specific equipments referred to as the "Bucket Hensley WA 1200-6, including the K VX Ground Engaging Tools System #72367, the "Duratray Truck Box" and the "L1850 Bucket", or to any other claim of SMS with respect to work conducted or services rendered to the Bloom Lake CCAA Parties not related to the Equipment, are not covered by the present Agreement and the release in the present section, and notably, SMS retains its right to file a proof of claim in regard of such other claims in the course of the CCAA proceedings involving the Bloom Lake CCAA Parties.

6. The Parties acknowledge that this Agreement will be governed by, construed, and interpreted pursuant to the laws of the Province of Quebec and the laws of Canada therein. The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Province of Québec with respect to any matter relating to the execution or construction of this Agreement or the exercise of any right or the enforcement of any obligation arising hereunder.
7. The Parties recognize that this Agreement is a transaction within the meaning of articles 2631 and following of the *Civil Code of Quebec*.

8. This Agreement may be executed in one or more counterparts, each of which will be deemed to be valid and binding, but all of which together shall constitute one and the same instrument. This Agreement may be signed by facsimile or in PDF or other electronic communications and any such signature shall be valid and binding.
9. *Les Parties ont convenu à ce que la présente transaction soit rédigée en anglais.*
The Parties agreed that this Agreement be drafted in English.

[Intentionally left blank, signature page follows]

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED:

Montreal, this 30 day of September, 2015.

SMS EQUIPMENT INC.



Per: Alain Bédard
Executive Vice-President

Montreal, this _____ day of September, 2015.

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP,
by its general partner BLOOM LAKE GENERAL PARTNER LIMITED
BLOOM LAKE GENERAL PARTNER LIMITED
QUINTO MINING CORPORATION
8568391 CANADA LIMITED
CLIFFS QUEBEC IRON MINING ULC
BLOOM LAKE RAILWAY COMPANY LIMITED**

Per: Clifford T. Smith
Director

THE MONITOR HEREBY CONSENTS TO BLOOM LAKE L.P. ENTERING INTO THIS AGREEMENT.

Montreal, this _____ day of August, 2015.

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

Per: Nigel Meakin
Senior Managing Director

8465039.5

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED:

Montreal, this _____ day of September, 2015.

SMS EQUIPMENT INC.

Per: Alain Bédard
Executive Vice-President

Montreal, this 30th day of September, 2015.

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP,
by its general partner BLOOM LAKE GENERAL PARTNER LIMITED
BLOOM LAKE GENERAL PARTNER LIMITED
QUINTO MINING CORPORATION
8568391 CANADA LIMITED
CLIFFS QUEBEC IRON MINING ULC
BLOOM LAKE RAILWAY COMPANY LIMITED**




Per: Clifford T. Smith
Director

THE MONITOR HEREBY CONSENTS TO BLOOM LAKE L.P. ENTERING INTO THIS AGREEMENT.

Montreal, this 15th day of ~~August~~ ^{October}, 2015.

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



Per: Nigel Meakin
Senior Managing Director

8465039.5