

**MEMORANDUM OF AGREEMENT** made and entered into on this 24th day of September, One Thousand Nine Hundred and Ninety-Eight (1998).

**BETWEEN:**

**WABUSH IRON CO. LIMITED**, a corporation incorporated in the State of Ohio, United States of America, by Articles of Incorporation filed with the Secretary of State of Ohio on the 19th day of April, 1957, and authorized to carry on business in the Province of Quebec by *An Act respecting legal publicity of sole proprietorships, partnerships and legal persons*, having its head office at 1100 Superior Avenue, Cleveland, Ohio, U.S.A. 44114, and a place of business at Pointe-Noire, Sept-Îles, Province of Quebec, G4R 4L4, herein acting and represented by Damien Lebel, its representative, duly authorized for the purposes hereof according to the terms of a resolution of the Board of Directors of the Corporation dated September 24, 1998;

**AND:**

**STELCO INC.**, a corporation incorporated under the laws of Canada under the name of the Steel Company of Canada, Limited by letters patent granted by the Secretary of State of Canada on the 8th day of June, 1910, having changed its name to the one of Stelco Inc. by supplementary letters patent dated the 27th day of June, 1980, having its head office at 100 King Street West, Hamilton, Ontario, L8N 3T1, and a place of business at Pointe-Noire, Sept-Îles, Province of Quebec, G4R 4L4, herein acting and represented by Damien Lebel, duly authorized for the purposes hereof under the terms of a power of attorney given on September 22, 1998 by B.W. Warry and M. Tuvikene, themselves acting under Section 2.04 of the general by-laws of the Corporation;

**AND:**

**DOFASCO INC.**, a corporation incorporated under the laws of Canada under the name of Dominion Foundries and Steel, Limited by letters patent granted by the Secretary of State of Canada on the 18th day of May, 1917, having changed its name to the one of Dofasco Inc. by supplementary letters patent dated the 6th day of October, 1980, having its head office at 1330 Burlington Street East, Hamilton, Ontario, L8N 3J5, and a place of business at Pointe-Noire, Sept-Îles, Province of Quebec, G4R 4L4, herein acting and represented by Damien Lebel, duly authorized for the purposes hereof under the terms of a power of attorney given on



September 22, 1998 by U. Soomet and Joan Wepler themselves acting under Section 6 of the general by-laws of the Corporation;

(hereinafter collectively sometimes referred to as "Wabush")

**AND:**

**CANADA PORTS CORPORATION**, a corporation incorporated under the *Canada Ports Corporation Act* (R.S. c. C-9), having its head office at 330 Sparks Street, Place de Ville, Tower C, Ottawa, Ontario, K1A 0N6 and a place of business at 1 Quai Mgr Blanche, Sept-Îles, Province of Quebec, G4R 5P3, authorized under the terms of an Order in Council of the Government of Canada dated August 26, 1998 (P.C. 1998-1513) herein acting and represented by Jim Lynes, President and Chief Executive Officer and David Cuthbertson, Secretary, acting under Section 35 of the Administrative By-law of the Corporation;

(hereinafter referred to as "Ports Canada")

**WHEREAS** Wabush is the owner of a water lot known as Lot No. 17-1 in the Township of Arnaud (the "Water Lot"), the dock (the "Dock") and the bridge (the "Bridge") constructed thereon and land (the "Land") and other facilities (the "Ancillary Assets") related thereto (collectively referred to as the "Facilities"), all located in the Township of Arnaud, Province of Quebec;

**WHEREAS** Ports Canada wishes to purchase the Facilities from Wabush and Wabush wishes to sell the Facilities to Ports Canada;

**NOW THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS**

1. Wabush hereby acknowledges that it is selling to Ports Canada and Ports Canada is purchasing from Wabush the following Facilities under the deed of sale executed between the parties concurrently herewith:
  - (i) the Water Lot known as Lot 17-1 in the Township of Arnaud as outlined approximately in blue on the plan attached hereto as Schedule "B" and initialled by the parties for identification;



- (ii) the Dock as outlined approximately in orange (the West section) and purple (the East section) on Schedule "A" annexed hereto and initialled by the parties for identification;
- (iii) the Bridge as outlined approximately in green on Schedule "A" annexed hereto;
- (iv) the Land forming part of Lot No. T-1 Block T in the Township of Arnaud with an area of 43,442 sq.m. and part of Lot T-4 Block T in the Township of Arnaud with an area of 5,304 sq.m. (These two parts of lots are shown on the plan made by Omer Roussy Q.L.S. on September 24, 1997, outlined in red on Schedule "B" annexed hereto);
- (v) any interest it may have in the railway trackage located on the Dock, the Bridge and the Land;
- (vi) the Ancillary Assets, namely:

	<u>Asset No.</u>	<u>Asset Description</u>
a)	52161295	Mooring Bits
b)	52961290	Stiff-Leg Derrick
c)	52962605	Navigation Beacons (5)
d)	52962644	Dock Area Office & Warehouse and Drying Facilities
(e)	52962959	Walkway South Side of Loading Dock)
f)	52963272	Inst 5/1000 w Mercury Flood Lights Dock
g)	52963796	Yard & Dock Operating Dry Facilities
h)	69083579	Cathodic Protection Sys Part 1 of 2
i)	69083580	Cathodic Protection Sys Part 2 of 2

2. Notwithstanding the provisions contained in Section 1, Wabush will continue to own, operate and maintain the following equipment (collectively referred to as the "Equipment") to which Ports Canada renounces to the right of accession:

- a) the loading equipment on the Dock and the conveyor galleries (including the unloading system located therein) and towers related thereto at the West section of the Dock;
- b) the pipeline and related equipment for unloading petroleum products at the East section of the Dock;

- c) electrical and water lines relating to the loading equipment and the pipeline.
3. Wabush declares to be the sole, full and absolute owner of the Facilities which are free of any claims, hypothec and other charges whatsoever excluding the servitudes, which are set forth in the deed of sale executed concurrently herewith and in the deed of servitude to be executed pursuant to Section 21 hereof.
  4. Ports Canada agrees, at its expense, to dredge the Dock area and the channel to the Dock to permit the loading and unloading of vessels at the West section of the Dock. The water draft in the dredged area will be a minimum of sixteen meters (16 m) or 52.5 feet (marée graphique) as shown on Plan SI-1765 dated June, 1998. Ports Canada further agrees, at its expense, to ensure that the Dock area and the channel to the Dock and the water draft in the dredging area will be maintained in accordance with the foregoing standards during the term of this Agreement.
  5. Ports Canada agrees, at its expense, to make any repairs or reinforcements, structural or otherwise, to the Dock and to the Bridge and to the other Facilities which are required as a result of the dredging.
  6. Ports Canada shall use its best efforts to complete the dredging by December 31, 1998. However, if such efforts do not succeed, Ports Canada shall complete dredging to a minimum of thirteen (13) meters or 42.6 feet (marée graphique) along the West section of the Dock on or before December 31st, 1998 and shall complete all the dredging work to a depth of sixteen (16) meters within a period of three hundred and sixty-five (365) days from the date of the award of the dredging contract. Dredging shall be conducted in such a manner so as to minimize interference with the operation of the Dock for the loading of iron ore and manganese. For this purpose, Ports Canada and Wabush agree to prepare mutually satisfactory schedules in advance of the dredging operations.
  7. Ports Canada agrees to be responsible, at its expense, for all repairs to the West section of the Dock and the Bridge, structural and otherwise, for the purposes of restoring the West section of the Dock and the Bridge to good and working condition and, without restricting the generality of the foregoing, the cathodic protection systems or whatever other systems are available to fully protect the West section of the Dock and the Bridge from rust, such repairs and reinforcements to be completed by December 31, 2001, and to maintain at its expense the West section of the Dock and the Bridge in good working condition during the term of this Agreement. Notwithstanding the foregoing, in the event that Wabush makes significant changes to its machinery and equipment on the Dock which would affect the condition and loading state of the Dock and/or the Bridge, Wabush agrees to obtain the prior written consent of Ports Canada thereto.
  8. Ports Canada, at its expense, shall construct and maintain a separate gate and independent access to the Bridge over its own property including the Land to be acquired under the



terms hereof, the exact location of which gate and access shall be mutually agreed between Ports Canada and Wabush acting reasonably. Such gate and access shall be physically separate from the Wabush gate and access existing on its property and shall be for the use of Ports Canada's employees, suppliers, customers and any other users of the Facilities not specifically authorized by Wabush to use Wabush's gate and access.

9. Ports Canada will install on or before December 31, 2001, at its expense, a drainage control system including the filtration system for the West section of the Dock to prevent Dock and Bridge drainage water from entering into the river in order to eliminate permanently the phenomena commonly known as "red water". The system for the West section of the Dock will include equipment to extract "red water" from the Dock and Bridge areas, the whole to comply with the requirements of all applicable environmental laws and regulations including the *Fisheries Act*. Ports Canada agrees that the installation of the drainage control systems will comply with all applicable laws and regulations. Ports Canada agrees to consult with Wabush before and during the design Phase of the system.
10. Wabush will be responsible for the cost of operating and maintaining the drainage control systems and the filtration system installed for the West section of the Dock.
11. Ports Canada agrees to build on or before December 31, 2001 a basin to impound any oil spill on the surface of the Dock at the discharge station located at the East section of the Dock, which Wabush agrees to operate and maintain at its expense.
12. Ports Canada agrees that Wabush's wharfage and berthage tariffs for iron ore and manganese placed on board each vessel at the West section of the Dock for a period of 40 years from the date hereof, will be as follows;

Berthage (per GRT) first two periods of 12 hours:	\$0.024
Subsequent periods of 12 hours:	\$0.011
Wharfage (per tonne) Canadian vessels going to the Great Lakes:	\$0.01 → 7.9
All other vessels and destinations:	\$0.04 → 1.8

Plus any applicable GST and QST (or any replacement thereof)

Provided that the dredging to a depth of thirteen (13) meters is completed by Ports Canada as set forth in Section 6 hereof, the aforesaid wharfage and berthage tariffs will commence to be paid on January 1st, 1999 and shall continue to be paid for a period of three hundred and sixty-five (365) days from the date of the award of the dredging contract referred to in Section 6 hereof. However, if all the dredging is not completed to a



depth of sixteen (16) meters within three hundred and sixty-five (365) days from the date of the award of the dredging contract by Ports Canada, no further wharfage and berthage tariffs and no minimum annual wharfage and berthage charges as contemplated in Section 13 hereof shall be paid until all such dredging is completed by Ports Canada.

In the event that dredging to a depth of thirteen (13) meters is not completed as set forth in Section 6 hereof, Wabush shall not be responsible for the payment of any wharfage and berthage fees or of any minimum annual wharfage and berthage charges as contemplated in Section 13 until all the dredging is completed to a depth of sixteen (16) meters by Ports Canada. In the event that the initial dredging to a depth of thirteen (13) meters is completed by Ports Canada on or before December 31, 1998 and all the dredging is completed to a depth of sixteen (16) meters within a period of three hundred and sixty-five (365) days from the date of the award of the dredging contract, there will be no pro-ration of the minimum guaranteed wharfage and berthage charges contemplated in Section 13 hereof.

13. Subject to Sections 12 and 25 hereof, Wabush agrees to pay a minimum guaranteed annual wharfage and berthage charge of \$300,000 per annum plus any applicable GST and QST (or any replacement thereof) for 40 years for manganese and iron ore placed on board vessels at the West section of the Dock, which minimum charge shall be adjusted on a pro-rata basis from the date all the dredging is completed during the calendar year until December 31 inclusive of such calendar year. Any minimum charge, or any pro-rata amount thereof, will be paid within thirty (30) days from the end of the calendar year.
14. Ports Canada will continue to collect harbour dues on all vessels. All cargoes other than iron ore and manganese will be subject to the Port of Sept-Îles' standard berthage and wharfage tariffs. The wharfage and berthage tariffs for iron ore and manganese charged to Wabush under Section 12 hereof will be subject to the same annual percentage increases as the Port of Sept-Îles standard tariffs. The minimum annual wharfage and berthage charge of \$300,000 per annum shall also be subject to the same annual percentage increases as the Port of Sept-Îles standard wharfage and berthage tariffs but in no event shall any such increase in the minimum charge exceed two percent (2%) per annum.
15. Upon the execution of this Agreement and the deed of sale referred to herein and executed concurrently herewith, Ports Canada shall become the owner of the Facilities and shall have the sole possession, administration, management and control thereof.
16. Wabush will have <sup>14</sup>sole "prior berthing privilege"(s) as defined in Schedule "C" annexed hereto and initialled by the parties for identification on the Western section of the Dock for loading iron ore and manganese.

17. Wabush will have full authority and will be solely responsible for the loading operations of iron ore and manganese and for the maintenance, repair, replacement and operation of its Equipment and for the loading and unloading of vessels by Wabush at the West section of the Dock. Other non-Wabush vessels may use the Equipment on or about the said West section of the Dock for commodities not incompatible with Wabush commodities and pay reasonable usage fees therefor directly to Wabush for the use of its Equipment but all harbour dues, berthage fees and wharfage fees shall be paid directly to Ports Canada.
  
18. The parties acknowledge that bulk material such as dolomite, limestone and coke breeze are presently offloaded and stored at the Ports Canada dock known as "La Relance" situated east of the Facilities. In the event that Ports Canada constructs a new storage area in the vicinity of the Facilities, Wabush agrees to leave the storage facility area of La Relance and transfer its commodities to the new storage area. The usage of an exclusive area for the storage of these Wabush commodities, equivalent to the surface of land purchased by Ports Canada (see art. 1(iv)), will be included in the wharfage tariffs to be paid by Wabush on the commodities. The terms and conditions for the usage of Ports Canada's unloading and stockpiling facilities are to be determined by the parties. The new storage area will be linked to the East section of the Dock to be used for the offloading of the above-mentioned commodities.
  
19. Ports Canada warrants and represents in favour of Wabush that it has obtained all permits, consents and approvals required for Ports Canada to enter into this Agreement and the other agreements referred to herein and to perform its obligations thereunder.

Wabush warrants and represents in favour of Ports Canada that it has obtained all consents and approvals required for Wabush to enter into this Agreement and the other agreements referred to herein and to perform its obligations thereunder.

20. Ports Canada will have the non-exclusive right of use of the road situated to the west side of the Dock and the Bridge, subject to the following terms and conditions:
  - a) The aforesaid right of use shall terminate on December 31st, 2001, save and except that the said right of use will continue in favour of Ports Canada for minor traffic on an occasional basis. In the event that Ports Canada decides to develop the East section of the Dock, the said right of use shall terminate and Ports Canada will have the right of use of the road owned by Wabush situated east of the Dock between the public road and Point E referred to in Schedule "B" annexed hereto, subject to terms and conditions to be mutually agreed, until Ports Canada builds its own road to the East section of the Dock at which time the right of Ports Canada to use the road situated east of the Dock shall automatically cease;

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- b) Ports Canada will comply with all the security regulations adopted from time to time by Wabush;
  - c) Gate passes to be issued to Ports Canada or its duly authorized representatives shall require prior written Wabush approval. Wabush will have the right at its sole discretion to withdraw passes which have been issued for reasonable cause;
  - d) Ports Canada will forthwith provide any information required by Wabush with respect to the Wabush approval of gate passes.
21. As soon as possible following the execution of this Agreement, Ports Canada and Wabush will enter into a deed of servitude for the duration of this Agreement in form susceptible of registration containing such terms and conditions as may be mutually agreed between the parties hereto acting reasonably to provide for:
- a) the use of the West section of the Dock and the Bridge by Wabush and access thereto by foot and by vehicle and the operation of the West section of the Dock by Wabush;
  - b) the placement, maintenance and operation of loading equipment by Wabush on the West section of the Dock;
  - c) the placement, maintenance and operation of the conveyor systems by Wabush at the West section of the Dock;
  - d) the placement, maintenance and operation by Wabush of the new conveyor system at the West section of the Dock for Wabush's bulk storage materials, if applicable;
  - e) the use, maintenance and operation of the conveyor galleries (including the unloading system located therein) and towers presently used by Wabush in its operations;
  - f) the use, maintenance and operation by Wabush of the pipeline and related equipment for unloading petroleum products;
  - g) electrical and water lines presently used by Wabush and related to loading equipment and the pipeline;
  - h) access by Wabush and its employees to the shed and the parking area located on the East section of the Dock for the maintenance and operation of office space, shower space and warehousing, until such time as Ports Canada deem necessary

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to demolish and relocate the offices and the parking area to a new mutually agreed location outside the wharf, on Wabush's property as shown approximately on Schedule "D" annexed hereto and initialled by the parties for identification;

- i) use, maintenance and operation of equipment to extract ore particles and the pumping system for the drainage control system.

In the event that there is any dispute between the parties hereto with respect to the terms and conditions to be contained in the deed of servitude referred to above, this dispute will be submitted for the decision of one (1) arbitrator who will be appointed by the parties hereto within five (5) days of written notification of the dispute by one party to the other. If the parties hereto cannot agree on the choice of one (1) arbitrator, the dispute will be submitted to three (3) arbitrators; in this case, one arbitrator will be appointed by Wabush within the said five (5) days, the second arbitrator will be appointed by Ports Canada within the said five (5) days and within a further five (5) days of their nomination, they will appoint a third arbitrator who is either a notary or a lawyer in good standing under his or her respective professional association and who has practised for at least ten (10) years in commercial real estate law. The submission of the dispute to the arbitrators will be made in writing within ten (10) days following the appointment of the one (1) arbitrator or of the third arbitrator, as the case may be. The cost of the arbitration will be divided equally between Wabush and Ports Canada.

The jurisdiction of the arbitrator or the arbitrators will exclude the jurisdiction of the Courts. The arbitrator or arbitrators can simplify and reduce the procedures which have been provided. The decision will be rendered within thirty (30) days following the date of the completion of the submission to them, unless another delay is stipulated in the submission. The decision will be final and binding upon the parties and without appeal and will not necessitate any homologation, unless either Ports Canada or Wabush requests it in which case the costs of homologation will be divided equally between the two (2) parties.

Before and during the arbitration period, the parties hereto will continue to fulfill their rights and obligations hereunder regardless of their dispute.

22. In addition to the servitudes to be constituted as set forth above in Section 21, and subject to obtaining any necessary approvals, the parties agree that any other servitudes or agreements which may be required and mutually agreed by Ports Canada and by Wabush in order to improve their respective businesses shall be constituted or implemented.

23. Ports Canada, at its expense, shall have the right to demolish the shed and the parking area presently located on the East section of the Dock for the maintenance and operation of office space, shower space and warehousing and to relocate same to a new location on Wabush's property, the whole as shown approximately on Schedule "D" annexed hereto.



24. In the event of any conflict between the provisions contained in the deed of servitude to be executed pursuant to Section 21 hereof, or in the deed of sale executed concurrently herewith and the provisions of this Agreement, the provisions contained in this Agreement shall prevail.
  
25. The term of this Agreement shall commence on the date hereof and shall terminate on September 23rd, 2038 inclusive. If Wabush decides to close its mine at the town of Wabush and wants to terminate this Agreement **after the first five years from the date hereof**, it can do so by giving Ports Canada at least one (1) year's notice of such decision and by paying during such year immediately following notification the minimum guaranteed wharfage for one (1) year three hundred thousand dollars (\$300,000) (as may be adjusted in accordance with Section 14 hereof) or the actual wharfage and berthage tariffs incurred during such year, whichever is greater. If Wabush decides to close its mine at the town of Wabush and wants to terminate this Agreement **before the end of the first five years from the date hereof**, it can do so by giving Ports Canada a notice to that effect and by paying the minimum guaranteed wharfage for the remaining years or part of it. For example, if Wabush gives such notice two (2) years after the date hereof, it shall pay nine hundred thousand dollars (\$900,000) adjusted as aforesaid to Ports Canada. The date of termination of this Agreement shall also be the date of termination of the deed of servitude to be executed pursuant to Section 21 hereof and the parties hereto agree to enter into an agreement of cancellation thereof in form susceptible of registration.
  
26. Stelco Inc. and Dofasco Inc. declare in the deeds of sale that Stelco Inc. and Dofasco Inc. are not non-residents of Canada within the meaning of Article 116 of the *Income Tax Act* (Canada) and Article 1097 of the *Taxation Act* (Quebec) and Wabush Iron Co. Limited shall comply with the aforesaid Sections of the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec) by supplying Ports Canada with certificates from the relevant tax authorities and Wabush Iron Co. Limited and Ports Canada acknowledge that they have concurrently herewith entered into a tax indemnification agreement with respect thereto.
  
27. Ports Canada and Wabush will be each responsible for its own legal fees and disbursements, it being agreed, however, that the cost of the deeds of sale and the deeds of servitude including all fees and disbursements related thereto, publication thereof and the necessary copies shall be paid by Ports Canada.
  
28. Any real estate tax adjustments (municipal and school, etc.) between Ports Canada and Wabush with respect to the Facilities shall be made as and from December 31, 1998 and shall be paid on January 2, 1999 and, subject to any applicable exemptions, Ports Canada will assume the payment of any such taxes after December 31, 1998.

29. All notices, requests, demands and other communications hereunder shall be given in writing and shall be delivered or sent by bailiff, by facsimile transmission (receipt return requested) or receipt courier delivery at the following addresses:

**To:** **WABUSH IRON CO. LIMITED**  
18th Floor  
1100 Superior Avenue  
Cleveland, Ohio  
U.S.A. 44114

Attention: Corporate Secretary

To: **STELCO INC.**  
Stelco Tower  
100 King Street West  
P.O. Box 2030  
Hamilton, Ontario  
Canada L8N 3T1

Attention: Vice-President Purchasing and Raw  
Materials

To: **DOFASCO INC.**  
1330 Burlington Street East  
P.O. Box 2460  
Hamilton, Ontario  
Canada L8N 3J5

Attention: Corporate Secretary

With a copy to: **CLIFFS MINING COMPANY**  
Pointe-Noire  
Sept-Îles, Quebec  
G4R 4L4

Attention: Mr. Damien Lebel,  
General Manager

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To: CANADA PORTS CORPORATION  
c/o PORT OF SEPT-ILES  
1 Quai Mgr-Blanche  
Sept-iles, Quebec  
G4R 5P3

Attention: General Manager

With a copy to: CANADA PORTS CORPORATION  
330 Sparks Street  
Place de Ville  
Tower C  
Ottawa, Ontario  
K1A 0N6

Attention: President

or at such other address as either of the parties may indicate to the other party in writing in conformity with the foregoing. Any such notice, request, demand or other communication shall be deemed to have been received on the next business day following dispatch and acknowledgement of receipt by the recipient's fax machine, or if delivered by courier shall be deemed to have been received at the time it is delivered.

30. Except as herein provided, neither Ports Canada nor Wabush shall sell, transfer or assign this Agreement or its rights and obligations hereunder without the prior written consent of the other party hereto, which consent may not be unreasonably withheld or delayed. Notwithstanding the foregoing, either party hereto may sell, transfer and assign this Agreement or its rights and obligations hereunder to an "affiliate" as that term is defined in the *Canada Business Corporations Act* or in virtue of a merger, amalgamation or other corporate or governmental reorganization or restructuring of either party and in the case of Wabush, between Wabush Iron Co. Limited and Stelco Inc. and Dofasco Inc. and/or between all their respective shareholders, or between some of them, as the case may be, without the consent of the other party hereto, provided that the assignee shall agree in writing to be bound by all the provisions of this Agreement as if it had been named as a party hereto, that the assignor shall remain solidarily liable with the assignee for the performance of all its obligations hereunder and provided that the assignor shall notify the other party in writing at least thirty (30) days in advance of such transfer and assignment.
31. If at any time during the term of this Agreement, either Ports Canada wishes to sell the Facilities acquired hereunder from Wabush or Wabush wishes to sell the Remaining Facilities as defined in Schedule "E" hereto and initialled by the parties for identification (the "Offeror"), other than as hereinafter provided, it shall first, before any such sale, deliver a Notice to this effect (the "Sale Notice") to the other party hereto (the "Offeree").

*[Handwritten initials]*

The Sale Notice shall contain an offer to sell the Offeror's Facilities or Remaining Facilities, as the case may be, at a price payable only by certified cheque or bank draft and/or assumption of existing indebtedness and on terms set out in the Sale Notice (such price and terms being called the "Sale Terms").

Thereupon the Offeree may, within the thirty (30) day period after receipt of the Sale Notice (the "Option Period"), deliver written notice (the "Notice") to the Offeror of the Offeree's election to accept or not to accept the Offer contained in the Sale Notice. If no such Notice is delivered to the Offeror within the Option Period, the Offeree shall be deemed not to have accepted the Offer contained in the Sale Notice. Should the Offer be accepted by the Offeree within the Option Period, the sale of the Facilities or of the Remaining Facilities, as the case may be, shall take place within thirty (30) days from the expiration of the Option Period. Should the said Offer not be accepted by the Offeree within the Option Period, the Offeror shall have the right to sell the Facilities or the Remaining Facilities, as the case may be, but always at a price and on terms and conditions no less favourable to the Offeror than the Sale Terms, to any other party within one hundred and eighty (180) days after the Option Period has expired. If no sale is so completed within such one hundred and eighty (180) day period, the Offeror shall not proceed with the sale of the Facilities or the Remaining Facilities, as the case may be, without again complying with all relevant provisions of this Section, and so on from time to time.

Notwithstanding the foregoing, this Section shall not apply in the event that Ports Canada or Wabush wishes to transfer and assign its respective Facilities or its Remaining Facilities, as the case may be, to an "affiliate" as that term is defined in the *Canada Business Corporations Act* or in virtue of any merger, amalgamation or other corporate reorganization of either party, or in the case of Wabush, such transfer and assignment takes place between Wabush Iron Co. Limited, Stelco Inc. and Dofasco Inc.

32. Any payments required to be made under the deeds of sale or deeds of servitude will be made in lawful money of Canada.
33. Time shall in all respects be of the essence of this Agreement.
34. This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Quebec and with the laws of Canada to the extent applicable hereto.
35. Any amendment, waiver, release or discharge of any of the provisions of this Agreement shall be effective only if made in writing and executed by the designated representative of both Wabush and Ports Canada.

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- 36 The preamble to this Agreement and all Schedules annexed hereto shall have the same force and effect as though set forth herein at length.
- 37 If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect, and if any provision of part thereof is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.
- 38 No consent or waiver, by either party hereto to any breach or default by the other party shall be deemed or construed to be a consent or waiver to or of any other breach or default. The failure on the part of either party to complain of any act, or failure to act, of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder or under any other agreement contemplated hereby.
- 39 Each of the parties hereto shall at the request of the other and jointly with each other execute all deeds and documents and do all acts and things as may be reasonably necessary or advisable from time to time in order to carry out the spirit and intent of this Agreement.
- 40 Whenever any approval or consent is required hereunder, each of the parties agrees that the same shall not be unreasonably withheld or delayed. Without limiting the foregoing, each of the parties agrees that they shall act reasonably and in good faith with regard to the fulfillment of their respective obligations in all matters contemplated in this Agreement.
- 41 Subject to the restrictions on assignment set forth herein, this Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and other legal representatives (including receivers, trustees and assignees).
- 42 This Agreement shall not create a partnership between the parties hereto. Nothing contained in this Agreement constitutes an emphyteutic contract and no right of superficies is created hereby.
- 43 Wabush Iron Co. Limited, Stelco Inc. and Dofasco Inc. shall be solidarily liable to Ports Canada with respect to the obligations stipulated herein, but such liability shall be restricted to the assets of Wabush Iron Co. Limited, Stelco Inc. and Dofasco Inc. located in Sept-Îles, Scully Mine and Pointe Noire which comprise the Wabush Joint Venture mining project.

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44. The parties agree that all announcements and publicity with respect to the matters hereby contemplated shall be pre-notified to, agreed to, and coordinated with each other, provided, however, that neither party shall be prevented by the foregoing from meeting legal obligations to disclose.
45. The parties hereto have requested that the present Agreement be drafted in the English language; les parties aux présentes ont exigé que cette entente soit rédigée dans la langue anglaise.

SIGNED AT THE Town of Sept-Îles, Province of Quebec this 24th day of September, 1998.

**WABUSH IRON CO. LIMITED**

Per: *D. Lebel*

SIGNED AT THE Town of Sept-Îles, Province of Quebec this 24th day of September, 1998.

**STELCO INC.**

Per: *D. Lebel*

SIGNED AT THE Town of Sept-Îles, Province of Quebec this 24th day of September, 1998.

**DOFASCO INC.**

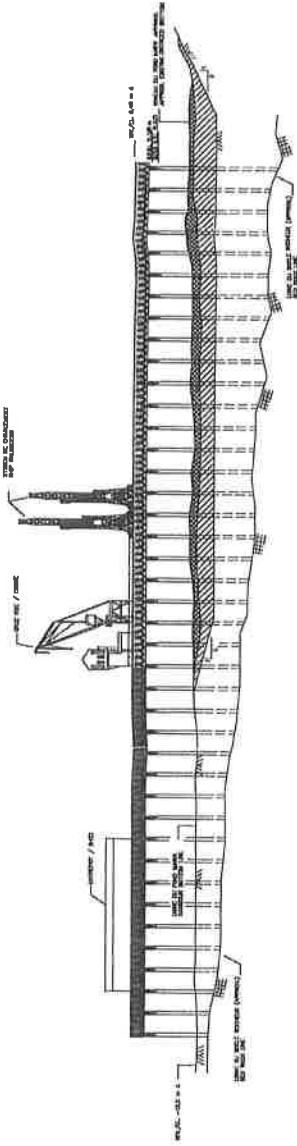
Per: *D. Lebel*

SIGNED AT THE Town of Sept-Îles, Province of Quebec, this 24th day of September, 1998.

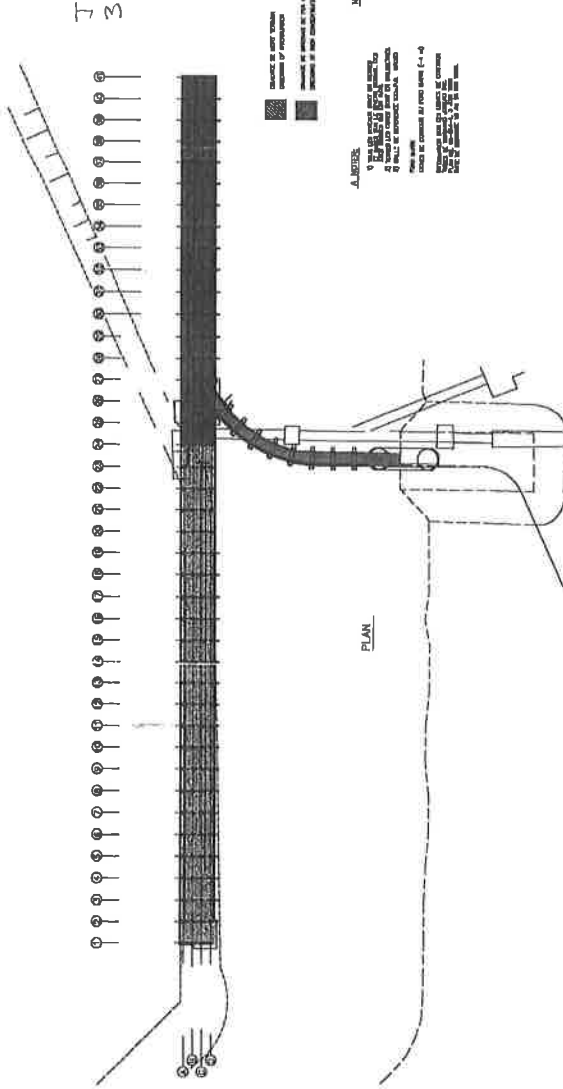
**CANADA PORTS CORPORATION**

Per: *[Signature]*

Per: *[Signature]*



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PLAN

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1	QUAI WABUSH WEARP						
2	SCHEDULE C A 3						
3	MEMORANDUM OF AGREEMENT						

PROJET		PROJET		PROJET		PROJET	
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1	QUAI WABUSH WEARP						
2	SCHEDULE C A 3						
3	MEMORANDUM OF AGREEMENT						

PLAN NO: 491-3-1





SCHEDULE "C"

- (iii) "exclusive berthing privilege" means a berthing right which may be exercised by one or more persons to the exclusion of all others,
- (iv) "prior berthing privilege" means a berthing right which may be exercised by one or more persons in priority to, but not in exclusion of, the berthing rights which other persons may exercise,
- (v) "senior berthing privilege" means a berthing right which may be exercised by one or more persons in priority to certain berthing rights of other persons, but not to each or all of these rights,
- (vi) "junior berthing privilege" means a berthing right which may be exercised by one or more persons subject to the priority attached to any prior berthing privilege and to any senior berthing privilege;





**SCHEDULE "E"**

**Facilities:**

**a) Shiploading Equipment**

- shiploader
- conveyors
- silos (6)
- screening plant

**b) Stock yard**

- storage area
- stacker reclaimer
- stacker
- conveyors

**c) Bunker "C" system**

- unloading pipeline
- tanks
- tank cars

**d) Bentonite system**

- unloading conveyors
- shed

*DAV*  
*JK*