

2003 01T No. 3807

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
TRIAL DIVISION

BETWEEN:

CLIFFS MINING COMPANY

PLAINTIFF

AND:

ROYAL BANK OF CANADA

DEFENDANT

BETWEEN:

ROYAL BANK OF CANADA

**PLAINTIFF
BY COUNTERCLAIM**

AND:

CLIFFS MINING COMPANY

**DEFENDANT
BY COUNTERCLAIM**

FURTHER SUPPLEMENTARY AFFIDAVIT

(Sworn May 16, 2016)

I, Jason Veloso, of the City of Cleveland, in the State of Ohio, make oath and say as follows:

1. That I am employed as Senior Attorney at Cliffs Natural Resources Inc. (“Cliffs Natural Resources”). Cliffs Mining Company (“Cliffs Mining”) is a wholly-owned subsidiary of Cliffs Natural Resources. Cliffs Mining does not have any in-house legal counsel, as such all in-house legal services that are required by Cliffs Mining are provided to it by Cliffs Natural Resources including support for this action. I have been involved with providing in-house legal services to Cliffs Mining since September, 2010, and as such have personal knowledge of the facts and things deposed to unless otherwise stated.
2. This Affidavit is sworn supplementary to my Affidavit sworn May 7, 2014 (the “May 2014 Affidavit”) in support of Cliffs Mining’s application for summary judgment/summary trial to dismiss the counterclaim as against Cliffs Mining; and my Affidavit sworn January 23, 2015. Capitalized terms in this Supplementary Affidavit have the same meaning as in my May 2014 Affidavit.

3. This Affidavit is sworn to answer the first part of Interrogatory 5 of the Interrogatories dated May 15, 2015 submitted by the Plaintiff by Counterclaim, Royal Bank of Canada ("RBC") as ordered by the Honourable Madam Justice Marshall on April 13, 2016. Cliffs Mining is required to answer:

"What is your knowledge, information, and/or belief in respect of the purported exercise of an option to purchase the equipment described in 1(a) above in or about May 2003 pursuant to Section 25 of the Master Lease Agreement at issue in this proceeding."

4. Cliffs Mining's knowledge, information and belief regarding the Option to Purchase as contained in the letter dated May 27, 2003 (Schedule "D" of my May 2014 Affidavit) is contained in Paragraph 8 of my May 2014 Affidavit and Paragraphs 10 to 15 of my January 2015 Affidavit.
5. Subsequent to the Order of Marshall J. made on April 13, 2016 I had further communications with Joyce Waschura ("Waschura"). Waschura advised me, and I verily believe, that she confirms her understanding that Cliffs Mining had authority to exercise the Option to Purchase pursuant to the Management Agreement and that authority to exercise the Option to Purchase was obtained as set out in my January 2015 Affidavit. Waschura is no longer employed by Cliffs Mining, Cliffs Natural Resources or any entity owned or controlled by Cliffs Natural Resources.
6. Subsequent to the Order of Marshall J. made on April 13, 2016 I had communications with Marty Janoco ("Janoco") who was Director, Finance at Cliffs Natural Resources in 2003. In that role he provided services to Cliffs Mining and worked with Waschura. He too has advised me, and I verily believe, that only when projects were approved by the owners of Wabush Mines could purchase orders and financing documents be executed, or in this case, lease buyouts be made. Janoco advises, and I verily believe, that this was done with respect to the Option to Purchase. Janoco is no longer employed by Cliffs Mining, Cliffs Natural Resources or any entity owned or controlled by Cliffs Natural Resources.
7. I have also caused another search to be conducted of Cliffs Mining's records pursuant to the Order of Justice Marshall dated April 13, 2016 with respect to Cliffs Mining producing "any document related to its express or implied authority from any of the Wabush Mines joint venturers to exercise the option in 2003 including, without

limitation, correspondence, budget meeting minutes or documents received or produced in relation to such meetings, and any other relevant document. The only additional document that I have discovered to those in Cliffs Mining's List of Documents dated June 6, 2011, my May 2014 Affidavit and my January 2015 Affidavit is the document attached as Schedule "A" to this Affidavit being Minutes of a Meeting of the Participants dated December 18, 2002.

SWORN TO before me at the City of Cleveland, in the State of Ohio, this 16th day of May, 2016

Mariclaire Soulsby

Jason Veloso

JASON VELOSO



MARICLAIRE SOULSBY
Notary Public, State of Ohio
My Commission Expires
April 28, 2021