

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 July 5, 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, Cliffs Natural Resources Inc. (“Cliffs Natural Resources”). Cliffs Mining Company is the Managing Agent of Wabush Mines (“Cliffs Mining”) and 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; my Affidavit sworn January 23, 2015 (the “January 2015 Affidavit”); and my Affidavit sworn May 16, 2016 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"). Capitalized terms in this Supplementary Affidavit have the same meaning as in my May 2014 Affidavit.

3. This Affidavit is sworn to answer the Interrogatories dated June 21, 2016 submitted by RBC.
4. With respect to Interrogatory 1, Cliffs Mining conducted searches for relevant documents on three separate occasions: (a) between August 2004 and September 2005 based on the pleadings as they existed at that time; (b) between November 2010 and March 2011 based on the pleadings as they existed at that time as a result of RBC's Notice of Intention to Proceed dated November 1, 2010; and (c) in April/May 2016 as required by the Order of the Honourable Justice Marshall made on April 13, 2016.

a. With respect to the searches conducted the following individuals were involved:

i. Regarding the search conducted between August 2004 and September 2005:

1. George W. Hawk;
2. Richard Tuthill;
3. Robert Strand;
4. Carole Canuel;
5. Martin Janoco;
6. Joyce Waschura;

ii. Regarding the search conducted between November 2010 and March 2011:

1. Stephen Fontanals;
2. Susanne Dickerson;
3. Matthew Lenhard;
4. Joyce Waschura;

5. Dwayne Petish;
6. Daniel Ready; and
7. Jean-Christophe Perrelet.

iii. Regarding the search conducted in April/May, 2016:

1. I caused the search to be done;
2. Rosemary Hauswald;
3. Elizabeth Velbeck.

b. The hardcopy and electronic files of Cliffs Mining in Cleveland (Ohio), Sept-Isles (Quebec), and Wabush Mines (Newfoundland and Labrador) were searched for all documents relevant to the pleadings and as required by the Order of Marshall J. made on April 13, 2016.

c. See the answer to (b) above.

d. Cliffs Mining searched in the three locations where it keeps records.

e. See answer above.

5. I caused a search to be done of the on-site and off-site records of Cliffs Mining. I personally reviewed the minute book of Wabush Mines. Rosemary Hauswald and Elizabeth Velbeck reviewed the index for Cliffs Mining's off-site records for relevant documents.

6. With respect to Interrogatory 3(a) and 3(b), I made inquiries of Joyce Waschura and Martin Janoco whose addresses are as follows:

Joyce Waschura
230 East 272nd Street
Euclid, OH 44132

Martin Janoco
8560 Mansion Boulevard
Mentor, OH 44060

7. With respect to Interrogatory 4, the Minutes of the meeting dated December 18, 2002 were located in the minute book for Wabush Mines.
8. With respect to Interrogatory 5, the information requested is known for the following attendees:

Edward C. Dowling
72 Indigo Way
Castle Rock, CO 80108

Lee R. English
579 S. Sunny Rock Drive
Vail, AZ 85641

Richard P. Fink
30102 Wolf Road
Bay Village, OH 44140

David H. Gunning
26600 George Zeiger Drive
Apt. 912
Beachwood, OH 44122

William C. Holman
2255 Edgeview Drive
Hudson, OH 44236

John D. Katsilometes
6452 Copper Ann Drive
Sparks, NV 89436

John E. Lenhard
3703 Bradfords Gate
Rocky River, OH 44116

Robert J. Leroux
1030 Rim Rock Ridge Street
Mesquite, NV 89034

Thomas J. O'Neil
1757 Tangle Peak Trail
Prescott, AZ 86303

James A. Trethewey
(Deceased)

9. With respect to Interrogatory 6, "Scully Mine" as referenced in the Minutes refers to the mine operation in Wabush, Newfoundland and Labrador.
10. With respect to Interrogatory 7, I am unable to confirm whether or not the "295B shovel upgrade" referred to in the Minutes relates to the Shovels at issue in this proceeding. The "295B electrical shovel upgrade project" may refer to the upgrade or replacement of pieces of equipment used on the shovels. If any further information is obtained, we will advise.
11. With respect to Interrogatory 8, the records of Wabush Mines indicate meetings among the Participants on the following days:

February 15, 2002 meeting in Montreal, Quebec;

December 18, 2002 meeting in Cleveland, Ohio;

December 5, 2003 meeting in Cleveland, Ohio.

The records of these meetings do not contain reference to anything relevant in the pleadings.

12. With respect to Interrogatory 9, I am advised by Martin Janoco, and verily believe, that generally, the capital approval process for Wabush Mines was done as part of the annual budgeting process. The Managing Agent would prepare an Expenditure and Authorization form that would describe the capital requested to be acquired and the reasons for acquiring it. Each of the joint venture participants would sign the form to indicate approval of the capital acquisition. I have caused a search to be conducted to try to locate any relevant forms and that search is ongoing. If any relevant documents are located, they will be produced.
13. With respect to Interrogatory 10, I am advised by Martin Janoco, and verily believe, that Cliffs Mining received written approval from each of the Participants to exercise the Option to Purchase referred to in the Waschura letter dated May 27, 2003. The authority was given as part of the capital approval process described in Interrogatory 9. I have caused a search to be conducted to try to locate any relevant forms and that search is ongoing. If any relevant documents are located, they will be produced.

SWORN TO before me at the City
of Cleveland, in the State of Ohio, this
5th day of July, 2016





JASON VELOSO



ADAM D. MUNSON, Atty.
NOTARY PUBLIC
STATE OF OHIO
My Commission Has No
Expiration Date
Section 147.03 R.O.