

(REDACTED)

**From:** Tompkins, Kelly  
**To:** Mohammad Al Zaihak (mohammad@sympatico.ca)  
**Cc:** Tompkins, Kelly  
**Subject:** Revised Proposal  
**Date:** Monday, March 16, 2015 10:53:00 AM

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Mohammad:

In light of the possible revisions to your proposal that were verbally relayed to me late last night, I spoke earlier this morning with our outside legal advisors and have several comments to pass along.

Perhaps of most interest to you, I want to be clear up front that at this point I do not see the revised terms of your proposal (recognizing that I am only reacting to a verbal overview) constituting a superior bid. Consequently, I cannot tell you that I will put my support behind your bid if revised nor can I see a compelling basis to terminate our current negotiations. That said, should you choose to submit a revised bid in writing I can assure you it will be given full and fair consideration by our advisors and it will be reviewed with the Monitor. At this point I have only conferred with outside legal counsel.

Here is a little color with respect to how I see your proposal. Before I comment on the purchase price, let me once again comment on the break fee. While you have moved considerably to lower this to (plus expenses) it will continue to be objectionable to the Monitor and coupled with the comments below on the purchase price it does not move us closer to finding your bid superior. My previous email responding to the current proposal guided you to what the quantum needs to be in order to pass muster.

Second, while I sincerely appreciate the movement on the purchase price (up , as I suspected it will get heavily discounted for several reasons. The CCAA process is looking for finality at the time of closing so the purchase price can be properly allocated to the sellers (mainly allocated between CNR and CQIM) any and all proceeds can be appropriately distributed to the creditors. A contingent, deferred purchase price that is linked to milestones that relate to the underlying project adds a quantum of risk and uncertainty as to both the probability and timing of receiving the contingent payments. Finally, depending on how long these milestones are into the future, the CCAA proceedings may otherwise be ready to conclude and it would be unacceptable to hold up the termination of the proceedings simply because we were waiting for these payments to be made.

Mohammad, I offer this input to give you as candid a view as I can to your proposal. As noted above, should you choose to submit a revised proposal we will review in and present it to the Monitor in confidence. In the meantime, we must continue working on our other deal.

Regards,

Kelly

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