

CHOW, MILLY

From: Abitan, Sandra <SAbitan@osler.com>
Sent: Wednesday, April 15, 2015 7:28 AM
To: Mr. Nigel D. Meakin; CHOW, MILLY; Me Sylvain Rigaud
Cc: Brown, James; Bryce, Doug; King, Richard
Subject: CDM Chromite Project 15Apr2015.pdf
Attachments: CDM Chromite Project 15Apr2015.pdf; ATT00001.txt

Hi

Please find attached a copy of our client's letter to Mr. Tomkins.

Regards.

Sandra

This e-mail message is privileged, confidential and subject to copyright. Any unauthorized use or disclosure is prohibited.

Le contenu du présent courriel est privilégié, confidentiel et soumis à des droits d'auteur. Il est interdit de l'utiliser ou de le divulguer sans autorisation.

CANADIAN DEVELOPMENT AND MARKETING CORPORATION

Suite 2700, Brookfield Place
161 Bay Street
Toronto
Ontario M5J 2S1
Canada
Phone: +1.416.482.1789
Fax: +1.416.322.5222

CONFIDENTIAL

April 15, 2015

Cliffs Natural Resources Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
U.S.A.

Cliffs Chromite Ontario Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
U.S.A.

Cliffs Chromite Far North Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
U.S.A.

Cliffs Quebec Mine De Fer Limitee/
Cliffs Quebec Iron Mining Ltd.
1155 Rue University
Suite 508
Montréal QC H3B 3A7
Canada

Attention: P. Kelly Tompkins, Executive Vice President, Chief Financial Officer

Re: Offer to Acquire Chromite Project Assets

Dear Mr. Tompkins:

The letter is in reference to our April 13, 2015 offer (the "Offer") to acquire all of the assets related to Cliffs' Chromite Project. For consistency, I am using capitalized terms in this letter that have the meanings given in the Offer.

I understand that Cliffs desires to end this process so that the CCAA proceeding can move forward and your management attention can focus on other priorities. At the time of presenting our Offer, we made clear that CDM was only willing to make our Offer based on a level of comfort that it would not be "shopped." I believed that tabling an offer that significantly reduces execution risk and provides a considerably higher price would clearly meet both of our objectives. As you would expect, I am disappointed that the basis on which our Offer was made has not been appreciated, even though Cliffs has determined that our Offer is, or could reasonably be expected to lead to, a Superior Proposal.

Our Offer provided Cliffs with a highly attractive, fully funded purchase price that clearly represents a Superior Proposal for Cliffs. Our Offer has significantly less execution risk for Cliffs than the Noront deal. Aside from requiring no financing contingency or third party consents, CDM is working with two of the most impacted First Nations communities with a plan to engage all nine Matawa communities with a unique ownership opportunity. Because of this, an agreement between Cliffs and CDM would not be expected to ignite the opposition the Noront deal is already facing. Based on these factors alone, we believe our Offer cannot be matched, particularly when both Cliffs and the CCAA process need to move on to other priorities.

CONFIDENTIAL

However, considering the events that took place yesterday (April 14), I am concerned that these unique characteristics of our Offer may not have been fully understood.

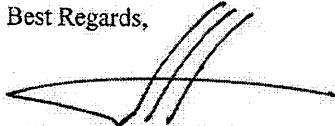
Given that Cliffs has already determined, after consultation with its outside legal counsel, financial advisors and the Monitor, that our Offer is, or could reasonably be expected to lead to, a Superior Proposal, the process to proceed with the Alternative Transaction proposed in our Offer should be straightforward, as outlined in the very agreement Noront negotiated and signed with Cliffs. Once Cliffs has determined that the completion of the Alternative Transaction resulting from our Offer is reasonably likely, it can simply terminate the Noront SPA in accordance with the provisions of section 10.1(e)(i) thereof. To complete the Alternative Transaction, Cliffs would (i) provide written notice to Noront formally terminating the Noront SPA, (ii) enter into the Share Purchase Agreement we provided with our Offer, (iii) pay the Expense Reimbursement to Noront pursuant to section 10.2 of the Noront SPA, and (iv) return the Deposit to Noront pursuant to Section 2.2.2(b)(iii)(E) of the Noront SPA. There should be no confusion about your rights and the steps, and we do not believe the Noront SPA requires you to give Noront any further opportunity, time, or direction.

Because it is in both Cliffs' and CDM's interest to complete this Transaction, CDM is willing to extend the expiry time of the Offer until 12:00 noon (Cleveland time) on April 15, 2015 - you should consider the Offer open until that time, following which it shall fully and finally expire. Please note that CDM has no intention to participate in any alternate processes contemplated by Cliffs, such as a "best and final" auction. We encourage Cliffs to consider the terms on which CDM presented its Offer and would respectfully ask that you honour those terms, and not seek to have CDM participate in an unnecessary, last-minute auction.

The opportunity for Cliffs to finish what has been a long and drawn-out sale process is before you. You may accept the Offer by returning a fully executed copy of the Purchase Agreement to my attention as set out in our original letter. We are hopeful that you engage with CDM. Working together we can complete a quick and smooth Transaction.

I look forward to your prompt and favourable reply.

Best Regards,



Mohammad Al Zaibak
President and Chief Executive Officer