

Brunet Mélanie

Objet: RE: Early Repayment Offer - Quinto Mining Corp. - Draft Settlement & Mutual Release Agreement

From: Meakin, Nigel [<mailto:Nigel.Meakin@fticonsulting.com>]

Sent: 16 août 2016 12:24

To: Benoît Gascon <bgascon@MASONGRAPHITE.COM>

Cc: Bissell, Steven <Steven.Bissell@fticonsulting.com>

Subject: Early Repayment Offer - Quinto Mining Corp.

Without prejudice

Benoit

The Monitor has now discussed this matter with the company and the company does not accept the proposal set out in your email of July 28, 2016 below. The company is however prepared to accept, subject to any necessary Court approval, a payment of US\$4 million in full and final settlement of the future amounts owing by Mason Graphite, subject to the following conditions:

1. Acceptance of this offer by no later than 5:00 p.m. Eastern Time on Monday August 22, 2016, after which time this offer shall be null and void;
2. Execution of a definitive settlement agreement by no later than September 2, 2016;
3. Payment in full by no later than September 30, 2016 (or three business days after Court approval is granted if such approval is determined by the company to be required).

If you have any questions, please do not hesitate to contact the undersigned.

Kind regards

Nigel

From: Benoît Gascon [<mailto:bgascon@MASONGRAPHITE.COM>]

Sent: Thursday, July 28, 2016 7:32 AM

To: Meakin, Nigel

Subject: RE: Early Repayment Offer - Quinto Mining Corp.

Dear Nigel,

Our previous offer was based on the available cash we had on hand. To increase the amount, we need to secure an external financing either through equity or debt.

Over the past few months, we've been working on securing a financing for an early repayment of the last deferred payment, which is not easy in the actual market, even more since it is aimed at reimbursing a debt.

Nevertheless, we have found some financial partners and are now in a position to have access to an amount of \$3M to be used as a complete and final payment to fully reimburse the last deferred payment without conditions and payable on closing.

I would appreciate your thoughts on this in order to come to an acceptable resolution to both parties. Otherwise, this will likely mean you getting back the asset and trying to monetize it, which will not be easy and will take more time.

Benoît Gascon, CPA, CA
President & CEO
+1 514 289 3574
TSX-V: LLG OTCQX: MGPHF

NO.: 500-11-048114-157

SUPERIOR COURT
(Commercial Chamber)
DISTRICT OF MONTRÉAL

**N THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENTS ACT (R.S.C.
1985 c. C-36) AS AMENDED:**

**BLOOM LAKE GENERAL PARTNER LIMITED,
8568391 CANADA INC.,
CLIFFS QUÉBEC IRONG MINING ULC.,
QUINTO MINING CORPORATION,**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP,
BLOOM LAKE RAILWAY COMPANY,
Et al. **Mis-en-cause****

EXHIBIT R-3

CERTIFIED TRUE COPY

BL 1332

Dominique Vallières 416248-00023

LAVERY, DE BILLY, L.L.P.

LIMITED LIABILITY PARTNERSHIP
SUITE 4000, 1, PLACE VILLE MARIE, MONTREAL, QUEBEC H3B 4M4
TELEPHONE: 514 871-1522 FAX NUMBER: 514 871-8977
EMAIL NOTIFICATIONS: NOTIFICATIONS-MTL@LAVERY.CA

lavery.ca