



A G O L D C O R P O R A T I O N

September 3, 2015

Mr. Clifford T. Smith  
Executive Vice President, Business Development  
Cliffs Natural Resources Inc.  
200 Public Square, Suite 3300  
Cleveland, Ohio 44114  
U.S.A.

By courier, email and registered post

Re: Wabush Joint Venture

Dear Mr. Smith

Enclosed is a **Notice of Default** for under the amendment and consolidation of mining leases between Wabush Iron Co. Ltd. (Wabush Iron) and us dated September 2, 1959 respecting the Scully Mine (Wabush) and ancillary assets. As mentioned in the enclosed notice, we acknowledge that various of our rights, including the termination of the lease, may be subject to the prior lifting of the stay of proceedings ordered by the Honourable Mr. Justice Hamilton of the Superior Court of Quebec dated May 20, 2015 and related proceedings under the Companies' Creditors Arrangement Act involving Wabush Iron and related entities.

In reference to your recent email and possible sale of assets located at Wabush and elsewhere, I can confirm that we are very interested in buying the assets that are related to the Wabush mine. In connection therewith, and in order for us to properly consider a potential transaction, we ask that you provide the following information:

- a list of the assets that are available for sale and a general description thereof, including confirmation that the following are included:
  - the equipment comprising the Manganese reduction lines (whether on or off the mine site);
  - real property held in the Town of Wabush, including employee housing; and
  - the pelletizing plant located at the Port of Sept Îles;
- details and copies of current reclamation plans and environmental assessments;

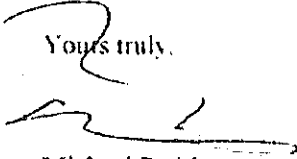
- information regarding current ownership of the subject assets;
- your current pricing expectations for such assets;
- the appropriate contact person for additional discussions and information requests; and
- your expected timeline for a transaction.

We are the only qualified buyer for these assets, other than the scrap dealers. As a result, we do not believe that there is any need for a new confidentiality agreement between us.

We expect that, within seven days of receipt of the above-requested information, we will be in a position to identify specific assets we are interested in acquiring, along with additional information regarding a potential offer, including a timeline for same.

Look forward to working with you.

Yours truly,



Michael Smith  
Managing Director



**MFC**

September 3, 2015

**VIA COURIER, EMAIL AND REGISTERED POST**

CLIFFS NATURAL RESOURCES INC.  
200 Public Square, Suite 3300  
Cleveland, Ohio  
U.S.A 44114-2315

WABUSH IRON CO. LIMITED  
WABUSH RESOURCES INC.  
200 Public Square, Suite 3300  
Cleveland, Ohio  
U.S.A 44114-2315

**Attention: Clifford Smith**

Dear Sirs:

**Re: Amendment and Consolidation of Mining Leases entered into as of September 2, 1959, as amended from time to time, between Wabush Iron Co. Limited ("Wabush Iron") and Canadian Javelin Limited (the "Sub-Lease")**

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As you are aware, a quarterly minimum royalty payment was due from Wabush Iron to us on July 25, 2015 pursuant to Clause A(1) of the Sub-Lease (the "Minimum Payment"). This letter serves as notice pursuant to Clause C(4) of the Sub-Lease that the full amount of such Minimum Payment has not been paid to date and has been in arrears for more than 30 days as of the date hereof. Pursuant to Clause C(4) of the Sub-Lease, MFC hereby demands full payment of the prescribed Minimum Payment. If such default is not cured, we reserve our rights to pursue all such remedies as may be available to us, including the termination of the Sub-Lease, which may be subject to the prior lifting of the stay of proceedings ordered by the Honourable Mr. Justice Hamilton of the Superior Court of Quebec dated May 20, 2015 and related proceedings under the Companies' Creditors Arrangement Act involving Wabush Iron and related entities.

Regards,

**MFC INDUSTRIAL LTD.**

By: 

Michael Smith  
Managing Director