



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

September 10, 2015

Steven J. Weisz
Dir: 416-863-2616
Steven.weisz@blakes.com

VIA EMAIL

Reference: 11573/374

Mtre Gary Rivard
BCF LLP
25th Floor, 1100, boul. René-Lévesque West
Montreal QC H3B 5C9

Email: gary.rivard@bcf.ca

RE: In the matter of the Plan of Compromise or Arrangement Wabush Iron Co. Limited and Wabush Resources Inc. (collectively, "Wabush Mines JV") et al., as Petitioners, and Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company, Limited, et al., as Mises-en-Cause, File No. 500-11-048114-157

Re: Amendment and Consolidation of Mining Leases made between Canadian Javelin Limited (now MFC Industrial Ltd. ("MFC")) and Wabush Iron dated as of September 2, 1959 (as amended, restated, supplemented or modified from time to time, the "Sublease")

Dear Confrère:

We are in receipt of MFC's letter in respect of the Sublease dated September 3, 2015 (the "Alleged Notice of Default"), which has been forwarded to us.

Initially capitalized terms not herein defined have the meaning ascribed to them in the Alleged Notice of Default.

We disagree with MFC's contention in the Alleged Notice of Default that there has been a default under the Sublease for failure to make the Minimum Payment and that MFC is entitled to pursue remedies in respect of such alleged default. As evidenced by the enclosed wire transfer confirmation, the Minimum Payment was made by the Wabush Mines JV by way of wire transfer on August 24, 2015, which is within the 30 day cure period under Section C.4 of the Sublease. Therefore, there has been no default and the Sublease has been and continues to be in good standing.

Please note that while the Wabush Mines JV is attempting to work cooperatively with MFC and seek a consensual resolution of issues, the Minimum Payment was made on a without prejudice basis and the Wabush Mines JV reserves all of its rights and remedies to assert or claim that all or a portion of the Minimum Payment was not due and owing on a post-filing basis as at July 25, 2015 or otherwise.

Yours very truly,

Steven J. Weisz

Encl



c: Colm Seviour, Stewart McKelvey
Harj Sangra, Sangra Moller LLP
Nigel Meakin, FTI Consulting Canada Inc. in its capacity as Monitor

Value Date: 2015-08-24
 Funding Account: 01841026151
 Funding Account Name: WABUSH MINES CF AP
 Amount: 600,200.00
 Currency: CAD
 Beneficiary Name: MFC INDUSTRIAL LTD.
 Beneficiary Account Number: 3856618
 Status: Confirmed
 Approvals Received: 1 of 1

Ordering Customer Account: 01841026151
 Reason For Failure:
 Ordering Customer Name: WABUSH MINES CLIFFS MINING CO
 Beneficiary Address:
 1100 SUPERIOR AVENUE, 18th FLOOR, CLEVELAND
 OHIO 441142589, ... CA
 Beneficiary Bank ID: 0010000010
 Beneficiary Bank ID Type: CC
 Beneficiary Bank Name: CANADIAN IMPERIAL BANK OF COMMERCE
 Beneficiary Bank Address: 400 BARRARD ST, VANCOUVER, BC V6C 3A8, CA

Primary Contact Number of Ordering Customer:
 Primary Contact Name of Ordering Customer:
 Wire Type: Commercial
 Entry Type: Telex
 Template Name: TERRA NOVA-MFC IND_Ltd
 Account with Institution Bank ID:
 Account with Institution Bank ID Type:
 Account with Institution Bank Name:
 Account with Institution Bank Address:

Charges: BEN - Additional routing charges will be paid by the beneficiary
 Payment Details: Royalty Payment
 Reference Number: WMY5082433530314 - 150824031593000 -
 Created By: LVTSSFKTPMVZTR2
 PETISH
 Create Date: 2015-08-24 02:58 PM ET
 Intermediary Bank ID: CIBCCATT
 Intermediary Bank ID Type: SWIFT
 Intermediary Bank Name: Canadian Imperial Bank of Commerce
 Intermediary Bank Address: Commerce Court, TORONTO, ON M5L 1A2, CA

Last Action: Approved
 Last Action By: PRUSAK
 Last Action Date: 2015-08-24 03:31 PM ET
 Receiver's Corresponding ID:
 Receiver's Corresponding Bank ID Type:
 Receiver's Corresponding Name:
 Receiver's Corresponding Address:
 Sender to Receiver Information:
 Related Reference Number:

Wire Type: Commercial
 Status: Confirmed
 Currency: CAD
 Number of Wires: 2
 Amount: 750,250.00