

AMENDMENT AND CONSOLIDATION OF MINING LEASES

THIS INDENTURE made and entered into as of the 2nd day of September, 1959, by and between CANADIAN JAVELIN LIMITED, a company duly incorporated under the laws of Canada and having its head office in the City of St. John's, Province of Newfoundland, Canada (hereinafter called the "Lessor"), and WABUSH IRON CO. LIMITED, a corporation duly organized under the laws of the State of Ohio, United States of America, and duly qualified to transact business in the Province of Newfoundland, Canada (hereinafter called the "Lessee"),

W I T N E S S E T H :

WHEREAS, under and pursuant to a certain Mining Lease dated June 28, 1957, by and between the Lessor and the Lessee (which Mining Lease, as amended by Agreement dated April 2, 1958, and by Agreement dated January 30, 1959, is hereinafter called the "Wabush Iron Lease"), the Lessor demised unto the Lessee that piece or parcel of land (hereinafter called the "Wabush Iron Premises") described in Schedule A to this Indenture and generally delineated in gray upon a plan (captioned "Plan Annexed to Schedule to Lease No. 2") annexed to said Schedule A; and

WHEREAS, under and pursuant to a certain Mining Lease dated June 28, 1957, by and between the Lessor and Pickands Mather & Co. and The Steel Company of Canada, Limited as lessees (which Mining Lease is hereinafter called the "PM - Stelco Lease"), the Lessor demised unto said lessees that piece or parcel of land (hereinafter called the "PM - Stelco Premises") described in Schedule B to this Indenture and generally delineated in gray upon a plan (captioned "Plan Annexed to Schedule to Lease No. 1") annexed to said Schedule B; and

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WHEREAS, Pickands Mather & Co. and The Steel Company of Canada, Limited, by Assignment of even date herewith assigned the FM - Stelco Lease and the leasehold estate created thereby to the Lessee with the written consent of the Lessor thereto appended; and

WHEREAS, The Lessor and the Lessee desire to modify and amend certain of the provisions of the Wabush Iron Lease and of the FM - Stelco Lease, and to consolidate said Leases into one Lease covering both the Wabush Iron Premises and the FM - Stelco Premises (the two said premises being herein-after together called the "Demised Premises");

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings and agreements of the parties hereinafter set forth IT IS AGREED that effective from and after the date hereof the following articles, terms and provisions shall be substituted for the Wabush Iron Lease in its entirety and shall also be substituted for the FM - Stelco Lease in its entirety, such articles, terms and provisions being as follows:

NOW THEREFORE THIS INDENTURE WITNESSETH THAT for and in consideration of the rents and royalties and of the covenants and conditions to be paid, observed, performed and fulfilled by the Lessee hereunder, the Lessor hereby demises unto the Lessee all that piece or parcel of land herein-before defined as the Demised Premises, as more particularly described in the Schedules to this Indenture and generally delineated in gray upon the plans annexed thereto (which descriptions and plans are to be taken as a part hereof), TOGETHER WITH the exclusive right to explore, investigate, develop, produce, extract, remove by open pit or other method of mining, smelt, reduce and otherwise process, make merchantable, store, sell and ship all Iron Ore Products, as hereinafter defined, on, in or under the Demised Premises, TO HOLD the same unto the Lessee for the term extending to and including the 20th day of May 2055, YIELDING AND PAYING therefor yearly on the 20th day of December in each and every year the rental of Three

Hundred Sixty Dollars (\$360.00), less such sum as shall be expended by the Lessee after the execution of this Indenture on the prospecting, exploration, development or mining of the Demised Premises or any part thereof.

The following terms whenever used in this Indenture shall have the respective meanings hereinbelow set forth:

- (a) "Canadian Funds" shall mean the lawful money of Canada which at the time is the legal tender for public and private debts in Canada.
- (b) "Iron Ore Products" shall mean and include iron ore, crude iron-bearing material and any metal, material or composition produced from iron ore or crude iron-bearing material.
- (c) "Gross Ton" shall mean two thousand two hundred forty (2,240) pounds avoirdupois.
- (d) "Nalco" shall mean Newfoundland and Labrador Corporation Limited, a Newfoundland corporation.
- (e) "Nalco Lease" shall mean that Indenture of Lease dated May 26, 1956, as amended by Indenture dated June 28, 1957, between Nalco and Canadian Javelin Limited, leasing the Demised Premises to Canadian Javelin Limited.
- (f) "Seven Islands Price" shall mean the price determined by multiplying the number of units of iron, natural analysis, up to but not in excess of sixty-four (64), contained in each Gross Ton of Iron Ore Products by seventeen cents (17¢), Canadian Funds, and the number of units thereof in excess of sixty-four (64) by ten cents (10¢), Canadian Funds; provided, however, that if the published Lake Erie

price at Cleveland, Ohio, of Old Range non-Bessemer Ore analyzing 51.50% iron, natural analysis, at the time of any shipment exceeds eleven dollars and seventy cents (\$11.70), United States Funds, per Gross Ton, then said seventeen cents (17¢), Canadian Funds, and said ten cents (10¢), Canadian Funds, for each such shipment, shall be increased in the same proportion as the amount of any such excess bears to eleven dollars and seventy cents (\$11.70).

A. AND the Lessee hereby covenants with the Lessor as follows:

1. That the Lessee will, during the term of this Indenture, pay to the Lessor on or before the 25th day of January, April, July and October (hereinafter called "Quarterly Payment Dates") in each and every year or if such day falls on a Sunday or a holiday then on the next ensuing day, as royalty for each Gross Ton of Iron Ore Products shipped from the Demised Premises during the calendar quarter immediately preceding the first day of the month in which payment is to be made as aforesaid, an amount equal to seven per cent (7%) of the Seven Islands Price thereof, or the sum of seventy-five cents (75¢), Canadian Funds, whichever shall be greater (the royalty so paid or payable being hereinafter called "Earned Royalties");

Provided, however, that, for each calendar quarter during which this Indenture remains in effect after January 1, 1960, and regardless of whether the Lessee shall conduct on the Demised Premises any mining or other operations, the Lessee shall, on the Quarterly Payment Dates, pay the Lessor a quarterly minimum royalty (hereinafter called "Minimum") equal to one-quarter of an amount calculated at the rate of thirty cents (30¢), Canadian Funds, per Gross Ton on the following tonnages:

During 1960-1964, inclusive	1,500,000 Gross Tons per year
During 1965-1966, inclusive	6,000,000 Gross Tons per year
During 1967-1968, inclusive	8,000,000 Gross Tons per year
During 1969 and each year thereafter	10,000,000 Gross Tons per year

the whole subject to the following conditions, namely:

(a) If on any Quarterly Payment Date the amount payable by the Lessee to the Lessor hereunder as Earned Royalties for each Gross Ton of Iron Ore Products shipped from the Demised Premises during the immediately preceding calendar quarter shall be less than the Minimum for such quarter, the total amount payable by the Lessee to the Lessor hereunder as royalty on such Quarterly Payment Date shall be the amount of such Minimum.

(b) If and so soon as the total amount paid by the Lessee to the Lessor by way of royalty hereunder in any calendar year shall be equal to the total of the Minimums for all four calendar quarters in such year, the Lessee's obligation to pay royalties hereunder for the remainder of such calendar year shall be limited to the amount of any Earned Royalties which shall be payable hereunder in respect of such year and which are in excess of the total of such Minimums in such year.

(c) Any amount which the Lessee shall pay to the Lessor on any Quarterly Payment Date by way of royalty hereunder otherwise than in payment of Earned Royalties for shipments during the immediately preceding calendar quarter shall constitute a credit against future Earned Royalties and the Lessee shall be entitled to use and apply any such credit, so far as the same will go and may be required, to the satisfaction of any Earned Royalties which shall be payable in respect of shipments during any subsequent quarter of the same or any subsequent year to the extent that such Earned Royalties shall exceed the Minimum for such quarter.

(d) The tonnages specified above and which form the basis for the Minimum have been specified on the assumption that in each applicable year the total steel production in the United States will be equal to 100% of the total rated steel capacity of the United States. It is recognized that adverse business conditions may reduce the rate of the steel operations and, therefore, the said tonnages shall be reduced in each year by that percentage in each said year that actual steel production in the United States falls below the rated capacity for the year in question; provided, however, that in no event shall a reduction be made in said tonnages except when the United States steel production falls below 85% of the rated capacity for that year. In connection with the foregoing, it is agreed that the factors relating to the capacity of the United States steel industry shall be determined by reference to the statistical data published by the American Iron and Steel Institute and normally set forth on A.I.S. Form Number 7.

On or before January 31 of each calendar year, the Lessee shall give to the Lessor notice setting forth all relevant factors determined as aforesaid with respect to the United States rated steel capacity for the preceding calendar year and on the basis of such findings if it be determined that the Lessee has overpaid any minimum royalty in respect of such preceding calendar year the Lessee shall be entitled to withhold an amount equal to such overpayment from any subsequent payments of Minimum or Earned Royalties.

(e) In the event that the Lessee is required to pay any royalties to Nalco, the Lessor agrees that the Lessee shall have credit for any such payments so made against any amounts due to the Lessor hereunder.

(f) When the Lessee shall have paid to the Lessor Minimum for which it has not taken credit, and such payments equal or exceed that figure

determined by multiplying the tonnage of Iron Ore Products which can be produced from the remaining proven ore in the Demised Premises by the rate of thirty cents (30¢) per Gross Ton thereof, then, and in that event, the Lessee shall be under no further obligation to pay Minimum to the Lessor. The quantity of the remaining proven ore will be established in accordance with operating estimates customary in the iron ore industry. Any dispute which may arise hereunder with respect to the rights and limitations herein set forth, shall be submitted to arbitration as hereinafter provided.

(g) Earned Royalties upon any Iron Ore Products obtained from the Demised Premises by the Lessee shall accrue only from the date that such products are actually shipped and for the purposes hereof such products shall be deemed to be shipped when delivered to a carrier at the Demised Premises or from stockpile grounds or from the plant or plants, as the case may be, for shipment to the consumer thereof.

(h) The amount of Iron Ore Products shipped hereunder shall be determined by railroad weights in Gross Tons certified by the carrier transporting the same, which shall be accepted as prima facie correct, or by weightometers or such other weights as may be generally in use for such purposes, subject in any case to the right of inspection by either party and any errors discovered shall be corrected and settled for promptly. Seven Islands Price as to shipments during each quarter shall be based upon the average analyses (taken by the Lessee in the normal course of its operations) of the Iron Ore Products shipped in such calendar quarter, subject to verification by independent chemists from time to time at the request and at the expense of the Lessor if no error be found on such verification and otherwise at the expense of the Lessee and errors when discovered shall be corrected and settled for promptly.

(1) On each Quarterly Payment Date, the Lessee will submit to the Lessor a written statement of all tonnages and analyses of Iron Ore Products shipped by the Lessee during the immediately preceding calendar quarter.

2. That the working and getting of the Iron Ore Products shall be performed in a skillful and workmanlike manner according to the most approved practice for the time being adopted in similar mines and fields.

3. That the Lessee shall, before the 25th day of January in each year during the currency of this Indenture, submit a report to the Lessor showing

- (1) the total tonnage mined or produced during the previous calendar year or any part thereof included in the term;
- (ii) the Iron Ore Products obtained from the total tonnage mined or produced;
- (iii) the average iron content of the Iron Ore Products produced or processed during the year;
- (iv) the places of sale of all products of the mine;
- (v) the total number of men employed;
- (vi) the total wages and salaries paid during the year;
- (vii) the gross value received from the sale of all Iron Ore Products; and
- (viii) such other data and information as may be required of the Lessor by Nalco under the provisions of the Nalco Lease.

4. That the Lessee will permit the Lessor by its duly authorized agents or representatives at all reasonable times to enter upon and inspect

and examine the Demised Premises and every part thereof for the purpose of ascertaining the conditions thereof and the manner of working and managing the same, provided, however, that such inspection and examination shall in no way interfere with the working by the Lessee of the Demised Premises and shall be at the sole cost and risk of the Lessor.

5. That the Lessee will maintain throughout the term herein granted good and sufficient corner posts or mounds and boundary marks according to the most approved mining practice for the time being adopted in similar mines and fields and in accordance with The Crown Lands (Mines and Quarries) Act, Chapter 175 of The Revised Statutes of Newfoundland, 1952.

6. That except where it is necessary to employ technical experts, the Lessee shall at all times in the working and production of the iron ore employ Newfoundland workmen if they are available.

7. That if the Government of the Province of Newfoundland shall at any time be desirous of acquiring any vacant lands, being part of the Demised Premises, for the purpose of building, making or erecting railways, roads, bridges or public buildings or works or for townsites or for agricultural settlements, or for sites for tourist purposes, the Lessee shall, if it has not carried out or is not proposing to carry out development thereon, release such lands to the Lessor and if the Lessee shall have improved such lands they shall be surrendered upon payment by the Lessor of fair and reasonable compensation to be agreed upon between the parties and, if not agreed upon, to be settled by arbitration in the manner provided in Section 8 I of The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 88 of 1951 as amended by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1953, the Act No. 64 of 1953, and by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1959, the Act No. 34 of 1959.

8. That the Lessee shall keep full and proper books of account and records of all Iron Ore Products produced or shipped hereunder and such books of account and records shall contain full particulars of all data and particulars necessary and proper for the compiling of the report referred to in Clause 3 of this Part A of this Indenture.

9. That the Lessor may by its duly authorized agents or representatives at all reasonable times inspect and audit the said books of account and records referred to in the foregoing Clause 8 and take extracts therefrom for the information of the Lessor.

B. AND the Lessor hereby covenants and warrants with the Lessee as follows:

1. That the Lessor is the owner and holder of a valid leasehold estate in and to the Demised Premises under a valid and subsisting lease in respect thereof fully effective in accordance with its terms; that the Lessor has good and full right to grant to the Lessee the rights and interests herein purported to be granted free and clear of all liens and encumbrances; that the Lessor will keep the Nalco Lease in respect of the Demised Premises in full force and effect for the term hereof; that the Lessee, paying the rent and royalties hereby reserved and observing and performing and fulfilling the several covenants and conditions herein contained and on the part of the Lessee to be paid, observed, performed and fulfilled, shall peaceably hold and enjoy the mines, premises, liberties and powers hereby demised and granted during the said term without any interruption by the Lessor or any person rightfully claiming under or in trust for it.

2. That the Lessee shall have the full and free right, liberty and license, during the continuance of this Indenture, by way of surface or subterranean operations, to work, mine, extract, remove, mill, smelt

or process and sell or dispose of for the benefit of the Lessee the Iron Ore Products on, in and under the Demised Premises and to do all other acts and things as are necessary for the purpose of mining or incidental thereto.

3. That the Lessee may waste or dispose of all tailings resulting from the production of the Iron Ore Products by the Lessee in such ways as the Lessee may from time to time see fit, subject to the condition that such wasting or disposal will not in any way interfere with the operations of the Lessor and subject to the further condition that if any Iron Ore Products are extracted from such tailings by the Lessee the Lessee shall pay to the Lessor in respect of such Iron Ore Products so extracted the royalty provided for in Part A of this Indenture.

C. AND it is hereby mutually agreed by and between the Parties hereto:

1. That the Lessee may at any time determine the tenancy hereby created by giving to the Lessor sixty (60) days' previous notice in writing to that effect and thereupon, provided the Lessee shall up to the time of such determination pay the rents and perform and fulfill the covenants and conditions on the part of the Lessee to be paid, performed and fulfilled, the present demise and everything herein contained shall cease and be void save in respect of any rents, royalties and other amounts which ought to be paid upon or before the determination of the tenancy.

The Lessee shall pay to the Lessor upon such determination of the tenancy:

<u>THE AMOUNT OF</u>	<u>IF DETERMINATION SHALL OCCUR:</u>
\$ 300,000	During the Calendar Year 1959
\$ 400,000	During the Calendar Year 1960
\$ 500,000	During the Calendar Year 1961

<u>THE AMOUNT OF</u>	<u>IF DETERMINATION SHALL OCCUR:</u>
\$ 600,000	During the Calendar Year 1962
\$ 1,100,000	During the Calendar Year 1963
\$ 1,600,000	During the Calendar Year 1964 or any Calendar Year thereafter during the term hereof;

provided, however, that there shall be deducted from any such amount so payable the aggregate of all amounts paid or incurred by the Lessee prior to the date of determination in respect of exploration, laboratory, development and improvement work upon or in connection with the Demised Premises and any other lands in Labrador in which exploration or mining rights are granted or leased to the Lessee by the Lessor, including all such amounts as are properly allocable thereto in accordance with good operating procedures and sound accounting principles, and all amounts theretofore paid to the Lessor hereunder as royalties or otherwise.

2. That if at the determination of the tenancy there shall be Iron Ore Products which have been mined or produced before the determination of the said tenancy and not removed from the Demised Premises, the Lessee shall have the right upon the payment of royalties thereon in accordance with the provisions hereof to remove the same within a period of six (6) calendar months from the date of the determination of the tenancy and shall have full right of access to the Demised Premises for the above purpose.

3. That it shall be lawful for the Lessee to remove all buildings, plant, machinery and all articles and things of the Lessee in and upon or under the Demised Premises at any time within six (6) months after the determination of the tenancy; provided that the Lessor shall have the right

by notice in writing to the Lessee to purchase all or any part of the said properties, articles and things at the then reasonable market price, to be determined, failing agreement thereon between the parties, by arbitration as hereinafter provided.

4. That if and whenever any of the rents or royalties hereby reserved or any part thereof shall be in arrears for thirty (30) days or if any covenant or condition herein contained shall not have been duly performed or observed, the Lessor, upon giving sixty (60) days' notice in writing to the Lessee that such rents or royalties have not been paid and demanding payment thereof or that any covenant or condition has not been performed or observed, may, at any time thereafter, if such payment is not made or such covenant or condition is not performed or observed within such period of notice, enter into and upon the Demised Premises or any part thereof and thereupon this demise shall absolutely determine subject to the same obligations on the part of the Lessee as if such determination had been effected by the Lessee pursuant to the provisions of Clause 1 of this Part C and without prejudice to the right of action of the Lessor in respect of any breach of the Lessee's covenants herein contained.

5. That, notwithstanding any other provisions of this Indenture, if the amount of any rents or royalties payable in any year under this Indenture or the performance or observance of any covenant or condition contained in this Indenture is in dispute between the Lessor and the Lessee, such rents or royalties shall be deemed due and payable and such covenant or condition shall be required to be performed or observed within sixty (60) days of the date of the award of the arbitrators appointed to decide such dispute in accordance with Clause 7 of this Part C of this Indenture;

provided that the Lessee shall not be entitled to the benefit of this clause unless it has been paid the amount which it considers is payable in respect of such rents and royalties within thirty (30) days of the date upon which the said rents and royalties are payable and provided, further, that if the full amount of such rents and royalties payable under the said award shall not be paid within the sixty (60) days after the date of such award then the Lessor may exercise the rights conferred on it by Clause 4 of this Part C of this Indenture and the Lessor shall not be obliged to give the notice required thereby.

6. That should the mining operations of the Lessee cause subsidence of or other injury to the surface land of the Demised Premises, the Lessee shall not be liable to pay any compensation therefor to the Lessor.

7. That if any dispute, question or difference shall arise at any time between the Lessor and the Lessee as to any matter contained in this Indenture or touching or concerning the provisions of this Indenture or the construction, meaning, operation or effect thereof or arising out of or in relation to this Indenture, or if the parties fail to agree upon any matter reserved for their mutual agreement, then such dispute, question, difference, or agreement shall be determined by arbitration in the manner following:

The Lessor shall appoint one arbitrator, the Lessee shall appoint another, and the two arbitrators so appointed shall appoint a third arbitrator or umpire, and in the event of the Lessor or the Lessee failing to appoint an arbitrator after seven (7) clear days' notice by the Lessor or the Lessee, as the case may be, so to do, the Lessor or the Lessee may apply to a Judge of the Supreme Court of Newfoundland who may, after due notice to the Lessor or

the Lessee, as the case may be, appoint such arbitrator, and the arbitrators so appointed by the Lessor or the Lessee or by the Judge shall thereupon appoint a third arbitrator or umpire, and in the event of the last mentioned arbitrators' failing to appoint a third arbitrator or umpire after seven (7) clear days' notice from the Lessor or the Lessee so to do, the Judge may, on the application of the Lessor or the Lessee, as the case may be, appoint such third arbitrator or umpire, and the award of such arbitrators or any two (2) of them shall be final and binding upon the parties.

The expense of any such arbitration, including reasonable compensation for the arbitrators, shall be borne and paid equally by the parties or as the arbitrators may otherwise direct.

8. That the Lessee shall not have the right to assign the demise hereby granted or any right or interest of the Lessee therein or to sublet the Demised Premises in whole or in part excepting with the consent in writing of the Lessor, which consent shall not be unreasonably withheld. Subject to the foregoing, this Indenture shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

9. That where the Lessee has brought a mine into production in the Demised Premises, the Demised Premises shall revert to the Lessor if the mine has ceased to operate for ten (10) consecutive years.

10. That notices and communications in respect of this Indenture shall be deemed to have been sufficiently given and delivered three (3) days after being enclosed in a postage prepaid envelope addressed:

If to the Lessor:

Canadian Javelin Limited
Board of Trade Building
St. John's, Newfoundland
Canada

If to the Lessee:

Wabush Iron Co. Limited
2000 Union Commerce Building
Cleveland 14, Ohio
U. S. A.

and deposited in a station letter box or mail chute of a United States Post Office, if mailed within the United States, or a Canadian Post Office, if mailed within Canada; provided, however, that either party may change the address to which notices and other communications to it may be sent by giving to the other party written notice of such change, in which case notices and other communications to the party giving the notice of change of address shall not be deemed to have been sufficiently given or delivered unless addressed to it at the new address stated in said notice.

11. This Indenture shall be construed and interpreted in accordance with the laws of the Province of Newfoundland, Canada.

IN WITNESS WHEREOF, The Parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

In the presence of:

W. C. Brink

W. C. Brink

Grant A. Johnson

Robert Phillips

CANADIAN JAVELIN LIMITED

By John C. Wolfe
President

And Maclean
Secretary

WABUSH IRON CO. LIMITED

By John Johnson
President

Attest: V. Benson
Secretary

I, Harold L. Brink, of the City of New York, in the State of New York, make oath and say:-

1. THAT John C. Woyke whose signature is affixed to the within document is the President of Canadian Javelin Limited and Maurice Raskman whose signature is also affixed thereto is the Secretary of the said Company and the seal affixed thereto is the corporate seal of said Company;

2. THAT I am well acquainted with the said John C. Woyke and Maurice Raskman and saw them execute the said document and I am a subscribing witness thereto.

SWORN before me at the City of New York, in the State of New York, this 2nd day of September 1959.

T. L. Brink

Crosby J. De Santis
CROSBY J. De SANTIS
Notary Public, State of New York
No. 24-0930975
Qualified in Kings County
Term Expires March 30, 1961.

STATE OF OHIO)
CUYAHOGA COUNTY) SS:

BEFORE ME, a Notary Public, in and for said county, personally appeared Irvin Shervin and R. S. Binson known to me to be the persons who, as President and Secretary, respectively, of WABUSH IRON CO. LIMITED, the corporation which executed the foregoing instrument, signed the same, and acknowledged to me that they did so sign said instrument in the name and upon behalf of said corporation as such officers, respectively; that the same is their free act and deed as such officers, respectively, and the free and corporate act and deed of said corporation; that they were duly authorized thereunto by its Board of Directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Cleveland Ohio this 1st day of Sept., 1959.

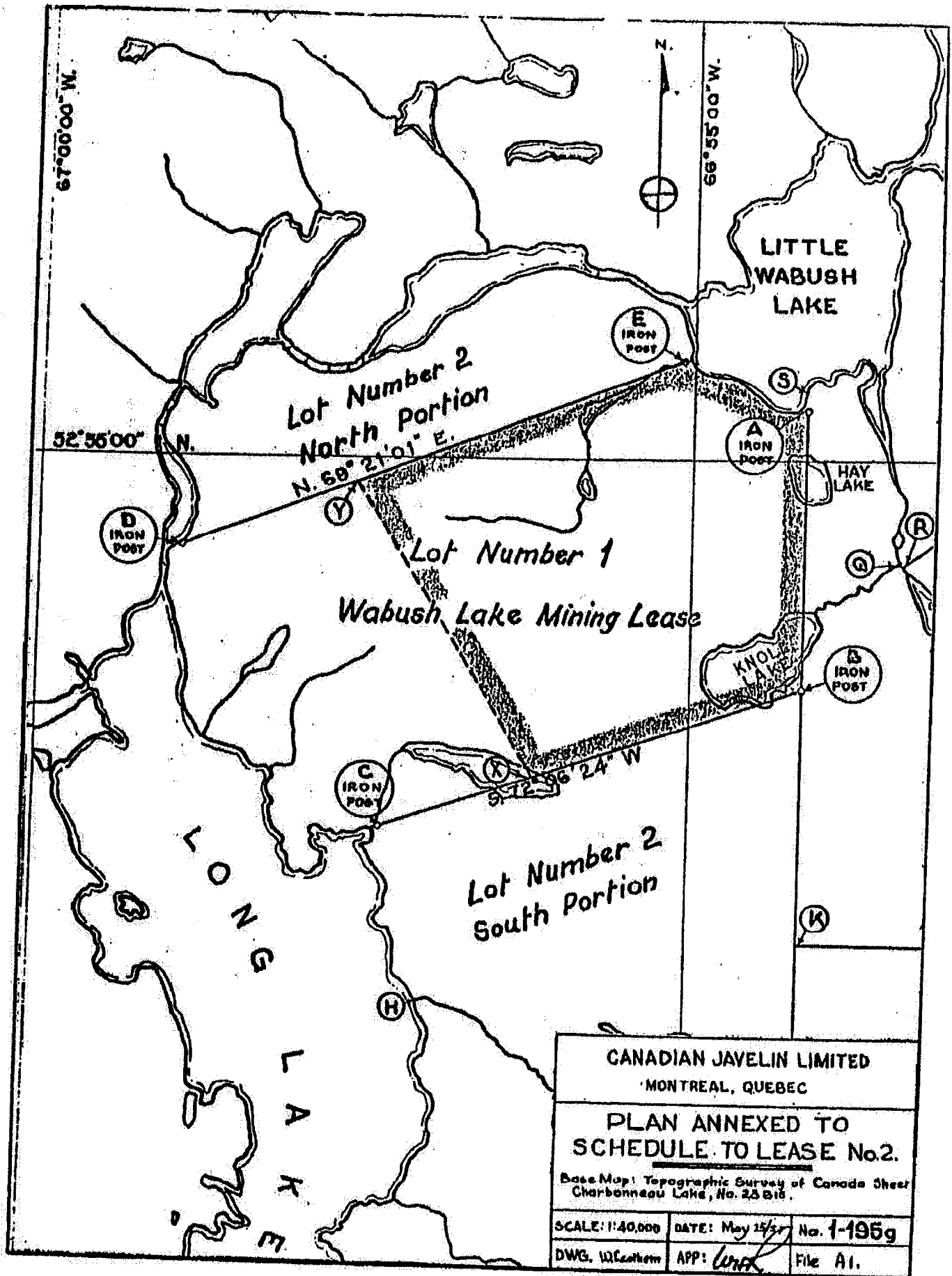
Eleanor R. Murphy
Notary Public

ELEANOR R. MURPHY
Notary Public, Cuyahoga County
My Commission Expires April 15, 1962

S C H E D U L E A

A piece or parcel of land containing an area of approximately three and thirty-six hundredths (3.36) square miles situated in Labrador in the Province of Newfoundland as generally delineated and outlined in grey upon the Plan annexed to this schedule and being more particularly described as follows:

Beginning at Point A (Point A being an iron pin approximately seventy (70) feet to the South of the South shore line of Little Wabush Lake near the intersection of Parallel fifty-two degrees fifty-five minutes fourteen seconds ($52^{\circ}55'14''$) North Latitude with Meridian sixty-six degrees fifty-four minutes nine seconds ($66^{\circ}54'9''$) West Longitude, said intersection being interpolated from Topographic Survey of Canada Map Sheet No. 23B/15 Charbonneau Lake, Newfoundland, Quebec, Advance Information, Scale 1:40,000); thence running true South seven thousand five hundred ninety-six and fifty-eight hundredths (7,596.58) feet more or less to Point B (Point B being an iron pin approximately two hundred and sixty-seven (267) feet to the South of the south shore line of Knoll Lake); thence running in a Southwesterly direction along a line bearing South seventy-two degrees six minutes twenty-four seconds ($72^{\circ}6'24''$) West a distance of seven thousand eight hundred twenty-nine and forty-two hundredths (7,829.42) feet more or less to Point X; thence running in a Northwesterly direction along a line bearing North thirty-one degrees twenty-eight minutes ten seconds ($31^{\circ}28'10''$) West a distance of nine thousand three hundred thirty-four and sixty-five hundredths (9,334.65) feet more or less to Point Y; thence in a Northeasterly direction along a line bearing North sixty-nine degrees twenty-one minutes one second ($69^{\circ}21'1''$) East a distance of nine thousand six hundred and forty-five and seventeen hundredths (9,645.17) feet more or less to Point E (Point E being an iron pin on the North bank of a stream flowing into Little Wabush Lake); thence running along said last mentioned line a distance of approximately forty (40) feet to its intersection with the shore line of Little Wabush Lake; thence running Southeasterly along the South shore line of Little Wabush Lake to a point true North of Point A; thence running a distance of approximately seventy (70) feet true South to Point A, the point of beginning; all bearings being referred to the True Meridian; and subject nevertheless to the right of way of The Wabush Lake Railway Company Limited.

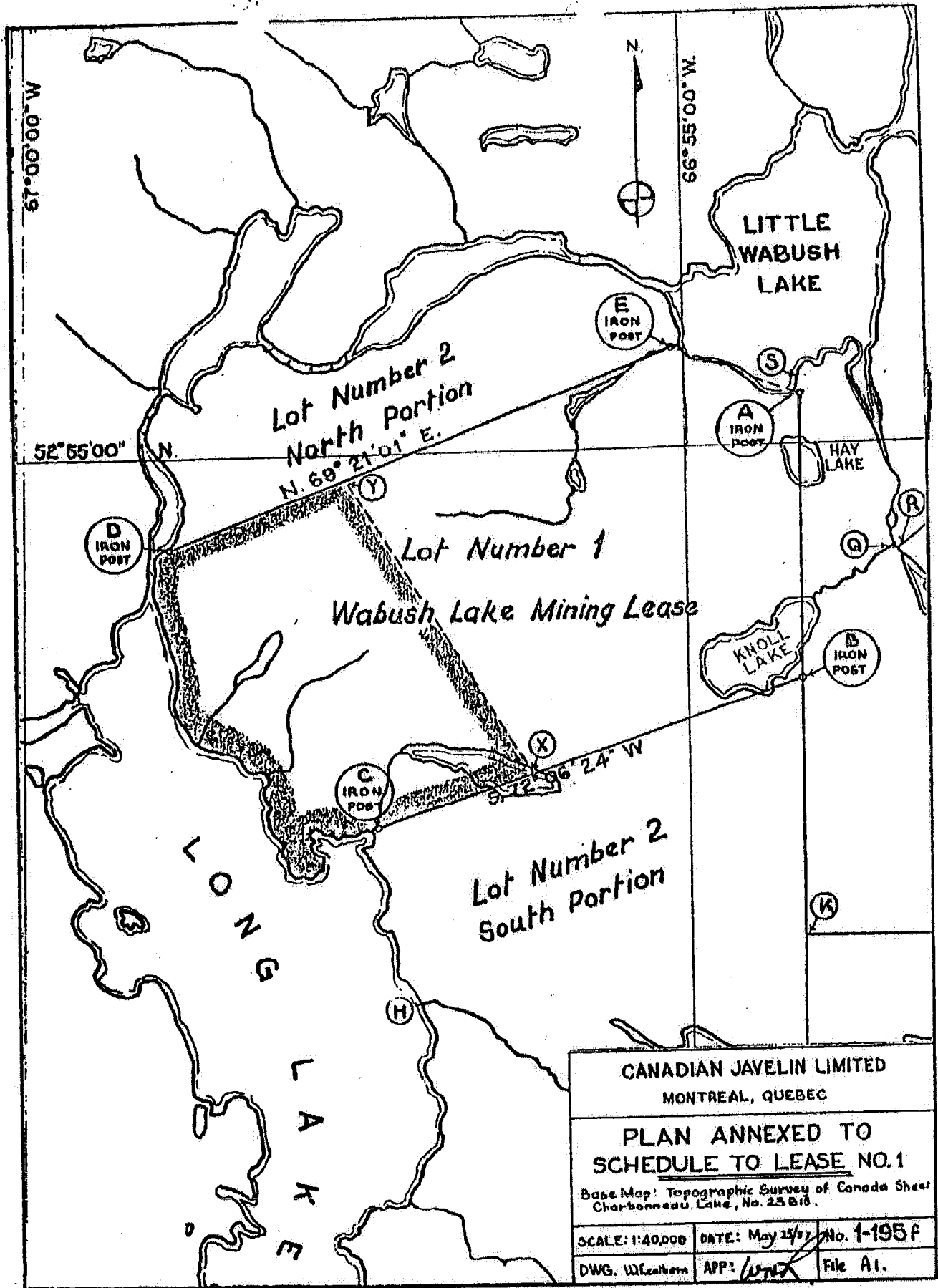


SCHEDULE B

A piece or parcel of land containing an area of approximately two and twenty four hundredths (2.24) square miles situated in Labrador in the Province of Newfoundland as generally delineated and outlined in grey upon the Plan annexed to this schedule and being more particularly described as follows:

Referring to Point A (Point A being an iron pin approximately seventy (70) feet to the South of the South shore line of Little Wabush Lake near the intersection of Parallel fifty-two degrees fifty-five minutes fourteen seconds ($52^{\circ}55'14''$) North Latitude with Meridian sixty-six degrees fifty-four minutes nine seconds ($66^{\circ}54'9''$) West Longitude, said intersection being interpolated from Topographic Survey of Canada Map Sheet No. 23B/15, Charbonneau Lake, Newfoundland, Quebec, Advance Information, Scale 1:40,000); thence running Northwesterly along a line bearing North sixty-seven degrees thirty-four minutes forty seconds ($67^{\circ}34'40''$) West a distance of three thousand five hundred sixty-eight and six hundredths (3,568.06) feet more or less to Point E (Point E being an iron pin on the North bank of a stream flowing into Little Wabush Lake); thence running Southwesterly along a line bearing South sixty-nine degrees twenty-one minutes one second ($69^{\circ}21'1''$) West a distance of nine thousand six hundred forty-five and seventeen hundredths (9,645.17) feet more or less to Point Y (Point Y being the point of beginning); thence running in a Southeasterly direction along a line bearing South thirty-one degrees twenty-eight minutes ten seconds ($31^{\circ}28'10''$) East a distance of nine thousand three hundred thirty-four and sixty-five hundredths (9,334.65) feet more or less to Point X; thence running in a Southwesterly direction along a line bearing South seventy-two degrees six minutes twenty-four seconds ($72^{\circ}6'24''$) West a distance of four thousand seven hundred twenty-six and twenty-seven hundredths (4,726.27) feet more or less to Point C (Point C being an iron pin on the South bank of a stream flowing into Long Lake); thence running in a Southwesterly direction along said last mentioned line a distance of approximately twenty (20) feet to the intersection of said last mentioned line with the East shore line of Long Lake; thence running in a Northerly direction along the East shore line of Long Lake and the East shore line of a stream flowing from Long Lake into Little Wabush Lake to the point of intersection of the aforesaid shore line with a line running through Point D, hereinafter described, said last mentioned line having a bearing of South sixty-nine degrees twenty-one minutes one second ($69^{\circ}21'1''$) West; thence running Northeasterly along said last mentioned line a distance of approximately forty (40) feet to Point D (Point D being an iron pin); thence running in a Northeasterly direction on a line bearing North sixty-nine degrees twenty-one minutes one second ($69^{\circ}21'1''$) East a distance of five

thousand seven hundred thirty-six and twenty-four hundredths
(5,736.24) feet more or less to Point Y, the point of beginning;
all bearings being referred to the True Meridian; and subject
nevertheless to the right of way of the Wabush Lake Railway
Company, Limited.



CANADIAN JAVELIN LIMITED MONTREAL, QUEBEC		
PLAN ANNEXED TO SCHEDULE TO LEASE NO. 1		
Base Map: Topographic Survey of Canada Sheet Charbonneau Lake, No. 25 818.		
SCALE: 1:40,000	DATE: May 25/57	No. 1-195 F
DWG. W. Leatham	APP: W. Leatham	File A1.

PLAN