

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

File: No: 500-11-048114-157

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**IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED:**

**BLOOM LAKE GENERAL PARTNER  
LIMITED, QUINTO MINING  
CORPORATION, 8568391 CANADA  
LIMITED, CLIFFS QUÉBEC IRON  
MINING ULC, WABUSH IRON CO.  
LIMITED AND WABUSH RESOURCES  
INC.**

Petitioners

- and -

**THE BLOOM LAKE IRON ORE MINE  
LIMITED PARTNERSHIP, BLOOM LAKE  
RAILWAY COMPANY LIMITED,  
WABUSH MINES, ARNAUD RAILWAY  
COMPANY AND WABUSH LAKE  
RAILWAY COMPANY LIMITED**

Mises-en-cause

- and -

**FTI CONSULTING CANADA INC.**

Monitor

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**TWENTY-EIGHTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

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## INTRODUCTION

1. On January 27, 2015, Bloom Lake General Partner Limited (“**Bloom Lake GP**”), Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (“**CQIM**”) (collectively, the “**Bloom Lake Petitioners**”) sought and obtained an initial order (as amended, restated or rectified from time to time, the “**Bloom Lake Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Superior Court of Québec (the “**Court**”), providing for, *inter alia*, a stay of proceedings against the Bloom Lake Petitioners until February 26, 2015, (the “**Bloom Lake Stay Period**”) and appointing FTI Consulting Canada Inc. as monitor (the “**Monitor**”). The relief granted in the Bloom Lake Initial Order was also extended to The Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and Bloom Lake Railway Company Limited (together with Bloom Lake LP, the “**Bloom Lake Mises-en-Cause**” and together with the Bloom Lake Petitioners, the “**Bloom Lake CCAA Parties**”). The proceedings commenced under the CCAA by the Bloom Lake CCAA Parties will be referred to herein as the “**CCAA Proceedings**”.
2. On May 20, 2015, the CCAA Proceedings were extended to include Wabush Iron Co. Limited (“**WICL**”), Wabush Resources Inc. (“**WRI**” and together with WICL, the “**Wabush Petitioners**”), Wabush Mines, Arnaud Railway Company (“**Arnaud**”) and Wabush Lake Railway Company Limited (collectively the “**Wabush Mises-en-Cause**” and together with the Wabush Petitioners, the “**Wabush CCAA Parties**”) pursuant to an initial order (as amended, restated or rectified from time to time, the “**Wabush Initial Order**”) providing for, *inter alia*, a stay of proceedings against the Wabush CCAA Parties until June 19, 2015, (the “**Wabush Stay Period**”). The Bloom Lake CCAA Parties and the Wabush CCAA Parties will be referred to collectively herein as the “**CCAA Parties**”.

3. The Bloom Lake Stay Period and the Wabush Stay Period (together, the “**Stay Period**”) have been extended from time to time and currently expire on January 31, 2017.
4. On April 17, 2015, Mr. Justice Hamilton J.S.C. granted an Order approving, as it relates to the Bloom Lake CCAA Parties, a sale and investor solicitation process (as may be amended from time to time, the “**SISP**”) involving the business and assets of the Bloom Lake CCAA Parties. The SISP was subsequently amended and restated to reflect the inclusion of the Wabush CCAA Parties in the CCAA Proceedings and was approved *nunc pro tunc* as it relates to the Wabush CCAA Parties pursuant to an Order granted June 9, 2015 (together with the April 17, 2015 Order, the “**SISP Order**”).
5. To date, the Monitor has filed twenty-seven reports in respect of various aspects of the CCAA Proceedings. The purpose of this, the Monitor’s Twenty-Eighth Report (this “**Report**”), is to provide information to the Court with respect to:
  - (a) The request by CQIM for an approval and vesting order (the “**Tata Railcar AVO**”) contemplated in the agreement dated as of November 15, 2016 (the “**Tata Railcar APA**”) by and between CQIM and Tata Steel Minerals Canada Limited as purchaser (“**Tata**”), pursuant to which Tata will acquire CQIM’s right, title and interest in 310 gondola railcars (the “**Tata Railcar Transaction**”) and to provide the Monitor’s recommendation thereon; and
  - (b) CQIM’s request that information in the Tata Railcar APA with respect to the Purchase Price, the allocation of the Purchase Price among the Tata Purchased Assets (as defined below) and Deposit, each as defined in the Tata Railcar APA, be kept confidential for commercial reasons, and the Monitor’s recommendation thereon.

## TERMS OF REFERENCE

6. In preparing this Report, the Monitor has relied upon unaudited financial information of the CCAA Parties, the CCAA Parties' books and records, certain financial information prepared by the CCAA Parties and discussions with various parties (the "**Information**").
7. Except as described in this Report:
  - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. The Monitor has prepared this Report in connection with the Motion for the granting of the Tata Railcar AVO, scheduled to be heard on November 28, 2016. The Report should not be relied on for other purposes.
9. Future oriented financial information reported or relied on in preparing this Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Bloom Lake Initial Order, the Wabush Initial Order or previous reports of the Monitor.

## **EXECUTIVE SUMMARY**

11. Capitalized terms used in the Executive Summary are as defined in the relevant section of this Report.
12. The Monitor is of the view that:
  - (a) The CNR Key Bank Security (as defined in the Monitor's Twenty-Fifth Report) over the Tata Purchased Assets is valid and legally enforceable as against a trustee in bankruptcy;
  - (b) Other than the beneficiaries of the Administration Charge and the Directors' Charge, there are no known claims that rank in priority to the CNR Key Bank Security in respect of the Tata Purchased Assets. CNR supports the Tata Railcar Transaction;
  - (c) The marketing process that resulted in the execution of the Tata Railcar APA was fair and reasonable in the circumstances;
  - (d) The Tata Railcar Transaction is the highest and best transaction resulting from the marketing of the Tata Purchased Assets and the consideration is fair and reasonable in the circumstances; and
  - (e) The approval of the Tata Railcar Transaction is in the best interests of CNR, the sole creditor holding security over the Tata Purchased Assets other than the beneficiaries of the CCAA Charges, and CQIM's stakeholders generally.
13. Accordingly, the Monitor supports CQIM's request for approval of the Tata Railcar Transaction and the granting of the Tata Railcar AVO.
14. With respect to CQIM's request to maintain the Purchase Price, allocation of Purchase Price, and Deposit information confidential, the Monitor's view is that it is reasonable, justified and appropriate in the circumstances.

## **INDEPENDENT REVIEW OF SECURITY**

15. As reported in the Monitor's Twenty-Second Report, counsel to the Monitor completed its review and delivered its opinion in respect of the CNR Key Bank Security which concluded that the CNR Key Bank Security over certain assets, including the Tata Purchased Assets, is valid and legally enforceable as against a trustee in bankruptcy.

## **REQUEST FOR THE TATA RAILCAR AVO**

16. Capitalized terms used in this section of this Report not otherwise defined are as defined in the Tata Railcar APA, a redacted copy of which is attached hereto as **Appendix A**.

### *The Tata Railcar APA*

17. Pursuant to the Tata Railcar APA, Tata will purchase all of CQIM's right, title, and interest to 310 gondola railcars, as more particularly described in Schedule "B" to the Tata Railcar APA (the "**Tata Purchased Assets**") for an amount which CQIM is requesting remain confidential subject to further order of this Court (the "**Purchase Price**"). In addition to the Purchase Price, Tata will pay all applicable transfer taxes.
18. Pursuant to the Tata Railcar APA, on November 17, 2016, the Purchaser paid a deposit to the Monitor on behalf of CQIM, in an amount equal to 5% of the Purchase Price.

19. The Tata Purchased Assets are located on the Québec Gatineau Railway. The Tata Purchased Assets are being purchased on an “as is, where is” basis and, pursuant to the Tata Railcar APA, Tata shall on Closing be solely responsible for obtaining access to the Québec Gatineau Railway, removing the Tata Purchased Assets from the site, transporting the Tata Purchased Assets offsite and supplying all equipment, personnel and materials required to carry out the foregoing, all at Tata’s own risk and peril and at Tata’s sole cost and expense. Tata acknowledges that CQIM shall have no responsibility or liability of any kind or nature whatsoever in connection with Tata accessing the Québec Gatineau Railway, the removal and transportation of the Tata Purchased Assets, or the continued storage of the Tata Purchased Assets at the site, and that there shall be no adjustment to the Purchase Price as a result of any degradation in value of the Tata Purchased Assets after the date of the Tata Railcar APA or Tata’s abandonment of the Tata Purchased Assets after Closing.
  
20. The obligation of Tata to complete the Tata Railcar Transaction is subject to the following conditions being fulfilled or waived by Tata:
  - (a) The Tata Railcar AVO shall have been issued and entered by the Court by no later than November 28, 2016 or such later date as CQIM and Tata may agree, and shall not have been vacated, set aside or stayed;
  - (b) CQIM shall have received and have provided Tata with a copy of the Railway Release, duly executed by Québec Gatineau Railway Inc.;
  - (c) CQIM shall have executed and delivered or caused to have been executed and delivered to Tata at Closing all the documents contemplated in Section 7.2 of the Tata Railcar APA;
  - (d) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of:

- (i) Making any of the transactions contemplated by the Tata Railcar APA illegal; or
    - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by the Tata Railcar APA.
  - (e) Each of the representations and warranties contained in Section 4.2 of the Tata Railcar APA shall be true and correct in all material respects:
    - (i) As of the Closing Date as if made on and as of such date; or
    - (ii) If made as of a date specified therein, as of such date; and
  - (f) CQIM shall have performed in all material respects all covenants, obligations and agreements contained in the Tata Railcar APA required to be performed by CQIM on or before the Closing.
21. The obligation of CQIM to complete the Tata Railcar Transaction is subject to the following conditions being fulfilled or waived by CQIM:
- (a) The Tata Railcar AVO shall have been issued and entered by the Court by no later than November 28, 2016 or such later date as CQIM and Tata may agree, and shall not have been vacated, set aside or stayed;
  - (b) CQIM shall have received the Railway Release, duly executed by Québec Gatineau Railway Inc.;
  - (c) Tata shall have executed and delivered or caused to have been executed and delivered to CQIM at Closing all the documents and payments contemplated in Section 7.3 of the Tata Railcar APA;



- (d) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of:
    - (i) Making any of the transactions contemplated by the Tata Railcar APA illegal;
    - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by the Tata Railcar APA;
  - (e) Each of the representations and warranties contained in Section 4.1 of the Tata Railcar APA shall be true and correct in all material respects:
    - (i) As of the Closing Date as if made on and as of such date; or
    - (ii) If made as of a date specified therein, as of such date; and
  - (f) Tata shall have performed in all material respects all covenants, obligations and agreements contained in the Tata Railcar APA required to be performed by Tata on or before the Closing.
22. The Tata Railcar APA may be terminated on or prior to the Closing Date as set out in section 9.1 of the Tata Railcar APA:
- (a) By mutual written agreement of CQIM and Tata, and, if following the approval of the Tata Railcar Transaction by the Court, with the consent of the Monitor, or approval of the Court;
  - (b) By written notice from Tata if before Closing 75% or more of the Tata Purchased Assets are subject to a Casualty;
  - (c) By either Tata or CQIM if, for reasons other than a breach of the Tata Railcar APA by CQIM or Tata, as applicable:

- (i) The Tata Railcar AVO has not been obtained by November 28, 2016, or such later date as the Parties may agree; or
  - (ii) The Court declines to grant the Tata Railcar AVO;
- (d) By Tata if there has been a material breach by CQIM of any representation, warranty or covenant in the Tata Railcar APA that has not been waived by Tata, and:
- (i) Such breach is not curable and has rendered the satisfaction of any condition in section 8.1 of the Tata Railcar APA impossible by the Outside Date; or
  - (ii) Such breach is curable but has not been cured within ten (10) days following the date upon which CQIM received notice of the breach;
- (e) By Tata if Closing has not occurred by the Outside Date and the failure to close is not caused by Tata's breach of the Tata Railcar APA;
- (f) By CQIM if there has been a material breach by Tata of any representation, warranty or covenant in the Tata Railcar APA that has not been waived by CQIM, and:
- (i) Such breach is not curable and has rendered the satisfaction of any condition in section 8.2 of the Tata Railcar APA impossible by the Outside Date; or
  - (ii) Such breach is curable, but has not been cured within ten (10) days following the date upon which Tata received notice of the breach;

- (g) By CQIM if Closing has not occurred by the Outside Date and the failure to close is not caused by CQIM's breach of the Tata Railcar APA; or
- (h) By CQIM if the deposit has not been paid pursuant to Section 3.2(1) of the Tata Railcar APA within three business days of the date of the Tata Railcar APA.

#### **THE MONITOR'S COMMENTS AND RECOMMENDATION**

23. Section 36(1) of the CCAA states:

“36(1) **Restriction on disposition of business assets** - A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.”

24. Section 36(3) of the CCAA states:

“(3) **Factors to be considered** - In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.”

***Reasonableness of the Process Leading to the Proposed Sale***

25. The Tata Purchased Assets were made available for sale in the SISF and during a parallel process where the Monitor sought liquidation proposals for the CCAA Parties’ assets and inventories.
26. During such processes, a number of expressions of interest for the acquisition of gondola railcars were submitted, two of which resulted in sale transactions approved by this Court on June 28, 2016 (the “**Rio Tinto Railcar Transaction**”) and on August 30, 2016 (the “**First IOC Railcar Transaction**”).

27. Following the completion of the Rio Tinto Railcar Transaction and the First IOC Railcar Transaction, 563<sup>1</sup> railcars remained available for sale. Accordingly, the Bloom Lake CCAA Parties, in consultation with the Monitor and CNR as secured creditor, proceeded to seek new proposals for the sale of the remaining railcars, along with other equipment remaining at Bloom Lake, as described in the Monitor's Twenty-Third Report and Twenty-Fourth Report. As described therein, the Monitor, on behalf of the CCAA Parties, contacted 88 interested parties requesting final and best offers on the September 16 Proposal Assets (as defined in the Monitor's Twenty-Fifth Report and the request for proposals being the "**September 16 Request for Proposals**"), including the remaining railcars. The deadline for submission of proposals was set as September 16, 2016 (the "**September 16 Proposal Deadline**").
28. Although Tata was not among the interested parties contacted through the September 16 Request for Proposals, it was aware that railcars were available for sale as it had previously submitted a proposal for similar rail cars pursuant to the SISP. Prior to the September 16 Proposal Deadline, Tata contacted the Monitor requesting information on the 563 remaining railcars.
29. As of the September 16 Proposal Deadline, the Bloom Lake CCAA Parties had received one proposal in respect of the remaining railcars. That proposal contemplated the acquisition of up to 563 railcars. No other offers in respect of the remaining railcars were received by the September 16 Proposal Deadline.

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<sup>1</sup> Based on further diligence performed and inventory count of the railcars, it was determined that there were 563 railcars that remained available for sale instead of the 564 railcars as noted in the Monitor's Twenty-Fifth Report.

30. Shortly following the September 16 Proposal Deadline, the Monitor received a proposal from Tata to acquire 310 of the remaining railcars. CQIM, in consultation with the Monitor, proceeded to negotiate the Tata Railcar APA with respect to the acquisition of the 310 railcars. The balance of the remaining railcars is subject to the Second IOC Railcar APA as defined and discussed in the Monitor's Twenty-Seventh Report, which Second IOC Railcar APA was approved by the Court on November 18, 2016.
31. The Monitor is of the view that the process that resulted in the execution of the Tata Railcar APA was fair and reasonable in the circumstances.

***Monitor's Approval of the Process***

32. In its Third Report, the Monitor recommended approval of the SISP. The Monitor was consulted by the CCAA Parties throughout the SISP and was closely involved in the process to seek liquidation proposals including proposals for the September 16 Proposal Assets. The Monitor approved the process that led to the execution of the Tata Railcar APA and was actively involved in the execution thereof.

***Comparison with Sale in Bankruptcy***

33. The Monitor has considered whether the Tata Railcar Transaction would be more beneficial to CNR, the sole creditor holding security on the Tata Purchased Assets other than the beneficiaries of the CCAA Charges, and the creditors of CQIM generally, than a sale or disposition of the Tata Purchased Assets under a bankruptcy.
34. Given the SISP, the offers received and the liquidation alternatives available, the options available for sale or disposition of the Tata Purchased Assets are the same regardless of whether such sale or disposition is carried out in the CCAA Proceedings or in a bankruptcy.

35. As discussed later in this Report, the Monitor is satisfied that the Purchase Price contemplated in the Tata Railcar APA is fair and reasonable in the circumstances and that the approval and completion of the Tata Railcar Transaction is in the best interests of the creditor holding security on the Tata Purchased Assets and of CQIM's stakeholders generally. There would be no prejudice to the beneficiaries of the CCAA Charges from the sale of the Tata Purchased Assets as the proceeds will stand in the stead of the Tata Purchased Assets and be held by the Monitor pending further Order of the Court.
36. It is the Monitor's view that the process to obtain the Tata Railcar AVO, which is a condition of the Tata Railcar APA, and close the Tata Railcar Transaction would be the same in both the CCAA Proceedings or a bankruptcy and that the costs associated therewith would be essentially the same whether the sale was completed in the CCAA Proceedings or a bankruptcy.
37. However, a sale in bankruptcy would delay and possibly jeopardize the approval and closing of the Tata Railcar Transaction as it would be necessary to first assign CQIM into bankruptcy or obtain a Bankruptcy Order, convene a meeting of creditors, appoint inspectors and obtain the approval of the inspectors for the Tata Railcar Transaction prior to seeking the Tata Railcar AVO. Alternatively, the secured creditor could seek to have the stay of proceedings lifted and a receiver appointed to conclude the Tata Railcar Transaction which would again delay the completion of the Tata Railcar Transaction.
38. Accordingly, it is the Monitor's view that a sale or disposition of the Tata Purchased Assets in a bankruptcy would not be more beneficial than the closing of the Tata Railcar Transaction in the CCAA Proceedings.

***Consultation with Creditors***

39. Other than the beneficiaries of the Administration Charge and the Directors' Charge, there are no known claims which would rank in priority to the CNR Key Bank Security over the Tata Purchased Assets. CNR has informed the Monitor that it consents to the Tata Railcar Transaction.
40. The Monitor is of the view that the degree of creditor consultation was appropriate in the circumstances. The Monitor does not consider that any material change in the outcome of efforts to sell the Tata Purchased Assets would have resulted from additional creditor consultation.

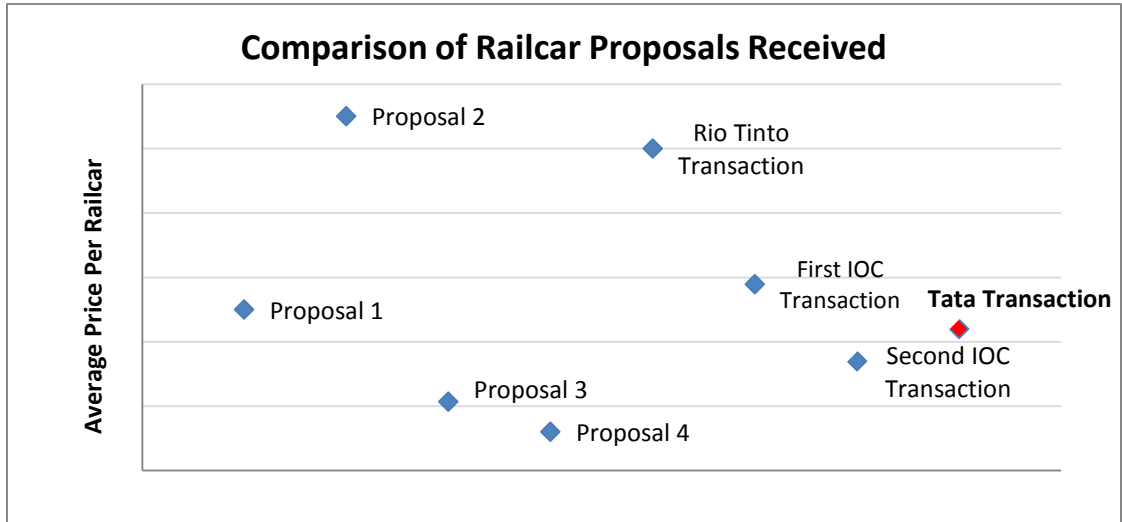
***The Effect of the Proposed Sale on Creditors and Other Interested Parties***

41. Pursuant to the proposed form of the Tata Railcar AVO, the proceeds of sale will stand in the stead of the Tata Purchased Assets and be held by the Monitor pending further Order of the Court. The beneficiaries of the Administration Charge and the Directors' Charge will not be prejudiced by the Tata Railcar Transaction. Accordingly, it is the Monitor's view that no stakeholder would be adversely affected by the Tata Railcar Transaction.

***Fairness of Consideration***

42. During the SISP and the parallel process to obtain liquidation proposals, there was limited interest in the railcars owned or leased by the CCAA Parties, with a total of 8 proposals received for different portions of the railcars. As noted previously in this Report, only the Rio Tinto Railcar Transaction and the First IOC Railcar Transaction have been completed to date. With respect to the Tata Purchased Assets, no offers have been received for those specific railcars other than the offer from Tata and the offer that led to the Second IOC Railcar APA. While the price per railcar of the Tata Railcar APA is lower than the price per railcar in the Rio Tinto Railcar Transaction and the First IOC Railcar Transaction, it is within the range of the offers received by the CCAA Parties for similar railcars.





43. Furthermore, the Tata Railcar APA provides for the sale of a significantly higher number of railcars than the Rio Tinto Railcar Transaction and the First IOC Railcar Transaction. In the Monitor’s view, it is not unreasonable that a sale of such a high volume of railcars may have a somewhat lower price per railcar than a sale of a small number of railcars.
44. Accordingly, the Monitor is of the view that the Purchase Price is fair and reasonable in the circumstances.

***Monitor’s Recommendation***

45. The Tata Railcar Transaction is the highest and best transaction resulting from the marketing of the Tata Purchased Assets and the Monitor is of the view that the consideration is fair and reasonable in the circumstances. There is no evidence to suggest that viable alternatives exist that would deliver a better recovery from the Tata Purchased Assets for the creditors of CQIM’s estate.
46. CNR is the only creditor, other than the beneficiaries of the CCAA Charges, that has a secured interest in the Tata Purchased Assets. CNR has informed the Monitor that it consents to the Tata Railcar Transaction.

47. Accordingly, and based on the foregoing, the Monitor is of the view that the approval of the Tata Railcar Transaction is in the best interests of the creditor holding security over the Tata Purchased Assets and CQIM's stakeholders generally and the Monitor supports CQIM's request for approval of the Tata Railcar Transaction and the granting of the Tata Railcar AVO.

**REQUEST TO MAINTAIN CERTAIN INFORMATION CONFIDENTIAL**

48. Consistent with its motion for approval of the Rio Tinto Railcar Transaction, the First IOC Railcar Transaction, and the Second IOC Railcar Transaction (as defined and discussed in the Monitor's Twenty-Seventh Report), and in support of its application for the issuance of the Tata Railcar AVO, CQIM filed a copy of the Tata Railcar APA redacted to remove details with respect to the Purchase Price, allocation of Purchase Price and Deposit for commercial reasons in the event that the Second IOC Railcar Transaction is not completed. CQIM submits that these redactions should remain until the balance of the railcars are sold or otherwise realized by CQIM.
49. The Monitor has considered CQIM's request that the Purchase Price, allocation of Purchase Price and the Deposit information be maintained confidential until such time as the remaining gondola railcars have been sold and is of the view that it is reasonable, justified and appropriate in the circumstances.

The Monitor respectfully submits to the Court this, its Twenty-Eighth Report.

Dated this 21st of November, 2016.

FTI Consulting Canada Inc.

In its capacity as Monitor of

Bloom Lake General Partner Limited, Quinto Mining Corporation,

8568391 Canada Limited, Cliffs Québec Iron Mining ULC,

Wabush Iron Co. Limited, Wabush Resources Inc.,

The Bloom Lake Iron Ore Mine Limited Partnership,

Bloom Lake Railway Company Limited, Wabush Mines,

Arnaud Railway Company and Wabush Lake Railway Company Limited



Nigel D. Meakin  
Senior Managing Director



Steven Bissell  
Managing Director

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# **Appendix A**

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**The Tata Railcar APA (Redacted)**

**CLIFFS QUÉBEC IRON MINING ULC**  
**- and -**  
**TATA STEEL MINERALS CANADA LIMITED**

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**ASSET PURCHASE AGREEMENT**

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**DATED AS OF NOVEMBER 15, 2016**

## TABLE OF CONTENTS

	<b>Page</b>
<b>ARTICLE 1 INTERPRETATION</b>	
1.1	Definitions ..... 1
1.2	Actions on Non-Business Days ..... 6
1.3	Currency and Payment Obligations ..... 6
1.4	Calculation of Time..... 6
1.5	Tender..... 6
1.6	Additional Rules of Interpretation..... 6
1.7	Schedules ..... 7
<b>ARTICLE 2 PURCHASE OF ASSETS</b>	
2.1	Purchase and Sale of Purchased Assets..... 7
<b>ARTICLE 3 PURCHASE PRICE &amp; TAXES</b>	
3.1	Purchase Price ..... 7
3.2	Satisfaction of Purchase Price ..... 7
3.3	Taxes ..... 8
3.4	Allocation of Purchase Price..... 8
<b>ARTICLE 4 REPRESENTATIONS AND WARRANTIES</b>	
4.1	Representations and Warranties of the Purchaser ..... 8
4.2	Representations and Warranties of the Vendor ..... 9
4.3	As is, Where is ..... 10
<b>ARTICLE 5 ACCESS AND REMOVAL</b>	
5.1	Removal of Purchased Assets..... 11
<b>ARTICLE 6 COVENANTS</b>	
6.1	Closing Date..... 12
6.2	Motion for Approval and Vesting Order..... 12
6.3	Risk of Loss and Casualty ..... 12
6.4	Release ..... 12
6.5	Trademarked and Branded Assets ..... 13
6.6	Indemnity..... 13

**TABLE OF CONTENTS**  
(continued)

**Page**

**ARTICLE 7**  
**CLOSING ARRANGEMENTS**

7.1	Closing .....	13
7.2	Vendor's Closing Deliveries.....	13
7.3	Purchaser's Closing Deliveries .....	14

**ARTICLE 8**  
**CONDITIONS OF CLOSING**

8.1	Purchaser's Conditions.....	14
8.2	Vendor's Conditions .....	15
8.3	Monitor's Certificate.....	16

**ARTICLE 9**  
**TERMINATION**

9.1	Grounds for Termination.....	16
9.2	Effect of Termination .....	17
9.3	Treatment of Deposit.....	17

**ARTICLE 10**  
**GENERAL**

10.1	Survival .....	18
10.2	Expenses .....	18
10.3	Public Announcements.....	18
10.4	Notices .....	18
10.5	Time of Essence.....	20
10.6	Further Assurances .....	20
10.7	Entire Agreement .....	20
10.8	Amendment.....	20
10.9	Waiver.....	20
10.10	Severability.....	20
10.11	Remedies Cumulative .....	20
10.12	Governing Law .....	21
10.13	Dispute Resolution .....	21
10.14	Attornment.....	21
10.15	Successors and Assigns .....	21
10.16	Assignment .....	21
10.17	Monitor's Capacity.....	21
10.18	Third Party Beneficiaries .....	21

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
10.19 Counterparts .....	21
10.20 Language .....	21



## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of November 15<sup>th</sup>, 2016 is made by and between:

### CLIFFS QUÉBEC IRON MINING ULC

(the “Vendor”)

- and -

### TATA STEEL MINERALS CANADA LIMITED

(the “Purchaser”)

#### RECITALS:

A. Pursuant to an initial order of the Québec Superior Court [Commercial Division] (the “**Court**”) dated January 27, 2015 (as the same may be amended and restated from time to time) in the proceedings bearing Court File No. 500-11-048114-157 (the “**CCAA Proceedings**”), the Vendor, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and the Bloom Lake Iron Ore Mine Limited Partnership (collectively, the “**Bloom Lake CCAA Parties**”) obtained protection from their creditors under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and FTI Consulting Canada Inc. was appointed as monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”).

B. Pursuant to Orders of the Court dated April 17, 2015 and June 9, 2015 (as each may be amended, restated, supplemented or modified from time to time, the “**SISP Orders**”), the Vendor was authorized to conduct the sale and investor solicitation process for the property and business of, among others, the Vendor, in accordance with the sale and investor solicitation procedures approved by the Court in the SISP Orders (the “**SISP**”).

D. The Vendor desires to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendor, all of the Vendor’s right, title and interest in and to the Purchased Assets, on the terms and subject to the conditions contained in this Agreement.

E. The transactions contemplated by this Agreement are subject to the approval of the Court and will be consummated pursuant to the Approval and Vesting Order to be entered by the Court in the CCAA Proceedings.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1 Definitions.** In this Agreement:

**“Action”** means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

**“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

**“Agreement”** means this Asset Purchase Agreement and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

**“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), **“Law”**), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

**“Approval and Vesting Order”** means an executory order of the Court issued in the CCAA Proceedings, substantially in the form of Schedule “A”, approving the transactions contemplated by this Agreement and vesting in the Purchaser all of the Vendor’s right, title and interest in and to the Purchased Assets free and clear of all Encumbrances.

**“Bill of Sale”** means a bill of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the sale to the Purchaser of all of the Vendor’s right, title and interest in and to the Purchased Assets.

**“Bloom Lake CCAA Parties”** has the meaning set out in Recital A.

**“Business Day”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montréal, Québec, the City of Toronto, Ontario, or the City of Cleveland, Ohio.

**“Casualty”** has the meaning set out in Section 6.3.

**“Casualty Assets”** has the meaning set out in Section 6.3.

**“CCAA”** has the meaning set out in Recital A.

**“CCAA Parties”** means collectively the Bloom Lake CCAA Parties and such other Affiliates of the Bloom Lake CCAA Parties who are parties to the CCAA Proceedings from time to time.

**“CCAA Proceedings”** has the meaning set out in Recital A.

**“Closing”** means the completion of the purchase and sale of the Vendor’s right, title and interest in and to the Purchased Assets by the Purchaser in accordance with the provisions of this Agreement.

**“Closing Date”** means the date on which Closing occurs, which date shall be three (3) Business Days following the issuance of the Approval and Vesting Order by the Court, or such other date as may be agreed to in writing by the Parties.

**“Closing Time”** has the meaning set out in Section 7.1.

**“Conditions Certificates”** has the meaning set out in Section 8.3.

**“Court”** has the meaning set out in Recital A.

**“CRA”** means the Canada Revenue Agency or any successor agency.

**“Damages”** means any loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, damages available at law or in equity (including incidental, consequential, special, aggravated, exemplary or punitive damages), expense (including consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value.

**“Deposit”** has the meaning set out in Section 3.2(1).

**“Encumbrances”** means all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

**“Governmental Authority”** means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;

- (c) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

“**Interim Period**” means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

“**ITA**” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supplement).

“**Law**” has the meaning set out in the definition of “**Applicable Law**”.

“**Legal Proceeding**” means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Monitor**” has the meaning set out in Recital A.

“**Monitor’s Certificate**” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received the Conditions Certificates.

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“**Outside Date**” means December 5, 2016 or such other date as the Parties may agree.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means more than one of them.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Proprietary Marks**” has the meaning set out in Section 6.5.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Assets**” means the right, title and interest of the Vendor in the equipment listed on Schedule “B”.

“**Purchaser**” has the meaning set out in the preamble hereto.

“**QST**” means all Québec sales tax imposed pursuant to the *Act respecting the Québec sales tax*, R.S.Q. c. T-0.1, as amended.

“**Québec Gatineau Railway**” means the railway owned and operated by Québec Gatineau Railway Inc. at or around Québec City, upon which the Purchased Assets are stored as of the date of this Agreement.

“**Railway Release**” means a release, satisfactory to the Vendor and the Purchaser, acting reasonably, pursuant to which the Québec Gatineau Railway Inc. agrees to fully and finally discharge and release the Vendor from any and all Liability arising, incurred or accrued both prior to and after the Closing Date with respect to the Purchased Assets, including with respect to any storage thereof.

“**Representative**” when used with respect to a Person means each director, officer, employee, consultant, subcontractor, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“**Sale Advisor**” means Moelis & Company LLC.

“**SISP**” has the meaning set out in Recital B.

“**SISP Order**” has the meaning set out in Recital B.

“**SISP Team**” means the CCAA Parties, the Sale Advisor and the Monitor.

“**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, QST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such interest, additions or penalties.

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

**“Transfer Taxes”** means all applicable Taxes, including where applicable, GST and QST, payable upon or in connection with the transactions contemplated by this Agreement. Transfer Taxes shall not include any income Taxes payable by Vendor in connection with the transactions contemplated by this Agreement.

**“Vendor”** has the meaning set out in the preamble hereto.

**1.2 Actions on Non-Business Days.** If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

**1.3 Currency and Payment Obligations.** Except as otherwise expressly provided in this Agreement: (a) all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada; and (b) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account of the Monitor specified by the payee, by cash, by certified cheque or by any other method that provides immediately available funds as agreed to between the Parties, with the consent of the Monitor.

**1.4 Calculation of Time.** In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern on the next succeeding Business Day.

**1.5 Tender.** Any tender of documents or money hereunder may be made upon the Parties or, if so indicated, the Monitor, or their respective counsel.

**1.6 Additional Rules of Interpretation.**

(1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(2) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.

(4) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

(5) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

**1.7 Schedules.** The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

**SCHEDULES**

<u>Schedule "A"</u>	Form of Approval and Vesting Order
<u>Schedule "B"</u>	Purchased Assets
<u>Schedule "C"</u>	Allocation of Purchase Price

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

**ARTICLE 2  
PURCHASE OF ASSETS**

**2.1 Purchase and Sale of Purchased Assets.** At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the Vendor's right, title and interest in and to the Purchased Assets, which shall be free and clear of all Encumbrances, to the extent and as provided for in the Approval and Vesting Order.

**ARTICLE 3  
PURCHASE PRICE & TAXES**

**3.1 Purchase Price.** The consideration payable by the Purchaser to the Vendor for the Vendor's right, title and interest in and to the Purchased Assets shall be <REDACTED>, as may be adjusted in accordance with Section 6.3(2) (the "**Purchase Price**").

**3.2 Satisfaction of Purchase Price.** The Purchase Price shall be paid and satisfied as follows:

(1) the deposit in the amount of <REDACTED> which shall be paid by the Purchaser to the Monitor in trust on behalf of the Vendor within three (3) Business Days of the date of this

Agreement (the “**Deposit**”) shall be applied against the Purchase Price on Closing. The Purchaser agrees that it waives the right to receive any interest accrued on the Deposit; and

(2) the balance of the Purchase Price, after crediting the Deposit in Section 3.2(1) above, shall be paid by the Purchaser to the Monitor on behalf of the Vendor on Closing.

**3.3 Taxes.** In addition to the Purchase Price, the Purchaser shall be liable for and shall, at Closing, pay all applicable Transfer Taxes.

**3.4 Allocation of Purchase Price.** The Purchase Price shall be allocated among the Purchased Assets as set forth on Schedule “C”. The Parties shall report an allocation of the Purchase Price among the Purchased Assets in a manner entirely consistent with Schedule “C”, and shall not take any position inconsistent therewith in the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax Returns.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

**4.1 Representations and Warranties of the Purchaser.** As a material inducement to the Vendor entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendor is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 4.1, the Purchaser represents and warrants to the Vendor as follows:

(1) *Incorporation and Corporate Power.* The Purchaser is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation. The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Purchaser.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

(3) *Approvals.* No consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement or all other agreements and instruments to be executed by the Purchaser or the performance by the Purchaser of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. There is no Legal Proceeding in progress, pending against, threatened against or affecting the Purchaser and there are no grounds on which such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.



(5) *Excise Tax Act.* The Purchaser is registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and for QST purposes pursuant to the *Act respecting the Québec sales tax* and its GST/HST and QST numbers are as follows: GST/HST – 84307 9807; QST – 1217296541.

(6) *Commissions.* The Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Purchaser.

(7) *Sufficient Funds.* The Purchaser has sufficient financial resources or has arranged sufficient financing for it to pay the Purchase Price and the Transfer Taxes.

**4.2 Representations and Warranties of the Vendor.** As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this Section 4.2, the Vendor represents and warrants to the Purchaser as follows:

(1) *Incorporation and Corporate Power.* The Vendor is a corporation existing under the laws of British Columbia. Subject to the granting of the Approval and Vesting Order, the Vendor has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its other obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Vendor.* Subject to the granting of the Approval and Vesting Order, the execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Vendor.

(3) *Approvals.* Subject to the granting of the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Vendor of this Agreement or all other agreements and instruments to be executed by the Vendor or the performance by the Vendor of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms. There is no Legal Proceeding in progress, pending against, threatened against or affecting the Vendor and there is no Order outstanding against or affecting the Vendor which, in any such case, affects adversely or might affect adversely the ability of the Vendor to enter into this Agreement or to perform its obligations hereunder.

(5) *ITA.* The Vendor is not a non-resident of Canada for purposes of the *ITA*.

(6) *Excise Tax Act.* The Vendor is registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and for QST purposes pursuant to the *Act respecting the*

*Québec sales tax* and its GST/HST and QST numbers are as follows: GST/HST – 12262 6575; QST – 1003852071.

(7) *Commissions.* The Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendor.

**4.3 As is, Where is.** Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

(1) except for the representations and warranties of the Vendor set forth in Section 4.2, it is entering into this Agreement, acquiring the Purchased Assets on an "as is, where is" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal warranty and at the risk and peril of the Purchaser;

(2) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;

(3) except as expressly stated in Section 4.2, neither the Vendor nor any other Person is making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the physical condition of the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purposes, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, existence of latent defects, quality, quantity or any other thing affecting any of the Purchased Assets or normal operations thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;

(4) without limiting the generality of the foregoing, no representation, warranty or covenant is given by any member of the SISP Team or any of the SISP Team's Representatives that the Purchased Assets are or can be made operational within a specified time frame or will achieve any particular level of service, use, production capacity or actual production if made operational;

(5) without limiting the generality of the foregoing, except as expressly stated in Section 4.2, the Vendor has made no representation or warranty as to any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the transactions contemplated by this Agreement or to operate the Purchased Assets, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

(6) all written and oral information obtained from any member of the SISP Team or any of the SISP Team's Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "data rooms", management presentations, site visits and diligence meetings or

telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and no member of the SISP Team nor any of the SISP Team's Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information;

(7) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by any member of the SISP Team or any of the SISP Team's Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions; and

(8) except as otherwise expressly provided in this Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Vendor, any member of the SISP Team or any of the SISP Team's Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties by the Vendor expressly set forth in Section 4.2. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Civil Code of Québec*, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

For greater certainty and without limiting the generality of the foregoing, the Parties hereby agree to exclude altogether the effect of the legal warranty provided for by article 1716 of the *Civil Code of Québec* and that the Purchaser is purchasing the Purchased Assets at its own risk within the meaning of article 1733 of the *Civil Code of Québec*. This Section 4.3 shall not merge on Closing and is deemed incorporated by reference in all closing documents and deliveries. The Purchaser shall have no recourse or claim of any kind against the proceeds of the transactions contemplated by this Agreement following Closing.

## **ARTICLE 5 ACCESS AND REMOVAL**

**5.1 Removal of Purchased Assets.** The Purchaser acknowledges that the Purchased Assets are being stored, as of the date of this Agreement and shall continue to be stored until Closing by the Vendor on the Québec Gatineau Railway. The Vendor shall use its commercially reasonable efforts, including the payment of outstanding storage fees, if any, to obtain the Railway Release by no later than Closing and the Purchaser shall cooperate with the Vendor to obtain such release. After Closing, the Purchaser shall be entirely responsible for obtaining access to the Québec Gatineau Railway, removing the Purchased Assets from the Québec Gatineau Railway, transporting the Purchased Assets offsite and supplying all equipment, personnel and materials required to carry out the foregoing, all at the Purchaser's own risk and peril and at the Purchaser's sole cost and expense. The Purchaser acknowledges that the Vendor shall have no responsibility or liability of any kind or nature whatsoever in connection with the Purchaser accessing the Québec Gatineau Railway, the removal and transportation of the Purchased Assets from the Québec Gatineau Railway or the continued storage of the Purchased Assets on the Québec Gatineau Railway, and that there shall be no adjustment to

the Purchase Price as a result of any degradation in value of the Purchased Assets after Closing or the Purchaser's abandonment of any of the Purchased Assets after Closing.

## **ARTICLE 6 COVENANTS**

**6.1 Closing.** The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Closing Date.

**6.2 Motion for Approval and Vesting Order.** The Vendor shall file with the Court, as soon as practicable after its execution and delivery of this Agreement, a motion seeking the Court's issuance of the Approval and Vesting Order. The Vendor shall diligently use commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order. The Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order. The Purchaser, at its own expense, will promptly provide to the Vendor and the Monitor all such information within its possession or under its control as the Vendor or the Monitor may reasonably require to obtain the Approval and Vesting Order.

### **6.3 Risk of Loss and Casualty.**

(1) Subject to the terms and conditions of this Agreement, the Purchased Assets shall be at the risk of the Vendor until Closing. Title to, risk of loss of, or damage to any of the Purchased Assets shall pass to the Purchaser at Closing.

(2) If before the Closing, Purchased Assets comprising less than seventy five percent (75%) of the Purchased Assets are lost, damaged so as to materially diminish the value of the Purchased Assets based from the values set out in Schedule "C" or render them inoperable, destroyed or are expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure has been given in accordance with Applicable Law (each, a "**Casualty**"), then with respect to each such Purchased Asset which is subject to a Casualty (each, a "**Casualty Asset**"), the Purchaser shall have the option to amend Schedule "B" to remove such Casualty Asset, and the Purchase Price payable shall be adjusted to reflect the removal of such Casualty Asset as a Purchased Asset under this Agreement in accordance with the allocation set forth on Schedule "C".

(3) If before the Closing seventy five percent (75%) or more of the Purchased Assets are subject to a Casualty, in addition to the option set forth in Section 6.3(2) above, the Purchaser, in its discretion, shall have the option, exercisable by written notice to the Vendor given prior to the Closing Time, to terminate this Agreement, as provided in Section 9.1.

(4) During the Interim Period, each Party shall notify the other in writing of the occurrence of any Casualty promptly after such Party has become aware of the occurrence thereof.

**6.4 Release.** The Purchaser hereby releases and discharges the Vendor, the Vendor's Affiliates and each of their respective Representatives and assumes the risk of loss of or Damages to Persons or property as may be related to the Purchaser accessing the Québec Gatineau Railway or the removal, transportation or any use or resale of the Purchased Assets by the Purchaser.

**6.5 Trademarked and Branded Assets.** With respect to any Purchased Assets to be acquired by the Purchaser hereunder bearing any trademarks, business names, logos or other branding of the Vendor or Cliffs Natural Resources Inc. (collectively, “**Proprietary Marks**”), such Proprietary Marks do not form part of the Purchased Assets. The Purchaser will co-operate with the Vendor, at the Purchaser’s cost and expense, in removing, dismantling and/or destroying such Proprietary Marks on or contained in any of the Purchased Assets, to the satisfaction of the Vendor, and nothing in this Agreement shall be construed as a licence by the Vendor to the Purchaser of any of the Proprietary Marks.

**6.6 Indemnity.** The Purchaser hereby indemnifies the Vendor, the Vendor’s Affiliates and each of their respective Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

(1) any Transfer Taxes (including penalties and interest) which may be assessed against the Vendor; or

(2) the Purchaser’s access to the Québec Gatineau Railway, including for the removal and transportation or any use or resale of the Purchased Assets by the Purchaser, including all claims for loss of or Damages or injury to any Persons or property caused by any access, use, removal or transportation of the Purchased Assets.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

**7.1 Closing.** The Closing shall take place at 10:00 a.m. Eastern time (the “**Closing Time**”) on the Closing Date at the offices of the Vendor’s counsel in Montréal, Québec, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser.

**7.2 Vendor’s Closing Deliveries.** At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

(1) all of the Purchased Assets, provided that delivery shall occur *in situ* at the Québec Gatineau Railway;

(2) a true copy of the Approval and Vesting Order;

(3) the Bill of Sale, duly executed by the Vendor;

(4) a bring-down certificate executed by a senior officer of the Vendor dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that (i) all of the representations and warranties of the Vendor hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Vendor at or prior to Closing have been complied with or performed by the Vendor in all material respects; and

(5) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

**7.3 Purchaser's Closing Deliveries.** At the Closing (or prior to Closing, if so indicated below), the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, if so indicated below), the following:

- (1) the payment of the Deposit required to be paid pursuant to Section 3.2(1) of this Agreement shall have been made to the Monitor;
- (2) the payment referred to in Section 3.2(2), which shall be made to the Monitor;
- (3) the payment of all Transfer Taxes (if any) required to be paid on Closing shall be made to the Monitor;
- (4) the Bill of Sale, duly executed by the Purchaser;
- (5) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects; and
- (6) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

## **ARTICLE 8 CONDITIONS OF CLOSING**

**8.1 Purchaser's Conditions.** The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement, unless, at or before the Closing Time, each of the conditions listed below in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. The Vendor shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that the conditions listed below in this Section 8.1 are fulfilled at or before the Closing Time.

(1) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court by no later than November 28, 2016 and shall not have been vacated, set aside or stayed.

(2) *Railway Release.* The Vendor shall have received and have provided the Purchaser with a copy of the Railway Release, duly executed by Québec Gatineau Railway Inc.

(3) *Vendor's Deliverables.* The Vendor shall have executed and/or delivered or caused to have been executed and/or delivered to the Purchaser at the Closing all the documents or other closing deliverables contemplated in Section 7.2.

(4) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of (a) making any of the transactions contemplated by this Agreement illegal, or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement, including any expropriation or seizure or notice thereof by any Governmental Authority or any other Person with respect to the Purchased Assets, as contemplated in Section 6.3 hereof.

(5) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.

(6) *No Breach of Covenants.* The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing.

**8.2 Vendor's Conditions.** The Vendor shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor, and may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the Closing Time.

(1) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court by no later than November 28, 2016 and shall not have been vacated, set aside or stayed.

(2) *Railway Release.* The Vendor shall have received the Railway Release, duly executed by Québec Gatineau Railway Inc.

(3) *Purchaser's Deliverables.* The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor (or the Monitor, as applicable) at the Closing all the documents and payments contemplated in Section 7.3.

(4) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of (a) making any of the transactions contemplated by this Agreement illegal, or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement, including any expropriation or seizure or notice thereof by any Governmental Authority or any other Person with respect to the Purchased Assets, as contemplated in Section 6.3 hereof.

(5) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1, shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.

(6) *No Breach of Covenants.* The Purchaser shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

**8.3 Monitor's Certificate.** When the conditions to Closing set out in Section 8.1 and Section 8.2, have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor and the Purchaser will each deliver to the Monitor written confirmation (a) that such conditions of Closing, as applicable, have been satisfied and/or waived, and (b) of the amounts of the Transfer Taxes (if any are payable) payable by the Purchaser on Closing (the "**Conditions Certificates**"). Upon receipt of payment in full of the Purchase Price and Transfer Taxes payable by the Purchaser at Closing (if any is payable) in the amounts set out in the Conditions Certificates and receipt of each of the Conditions Certificates, the Monitor shall (i) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchaser, at which time the Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). In the case of (i) and (ii), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

## **ARTICLE 9 TERMINATION**

**9.1 Grounds for Termination.** This Agreement may be terminated on or prior to the Closing Date:

(1) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Monitor, or approval of the Court;

(2) by written notice from the Purchaser to the Vendor in accordance with Section 6.3(3);

(3) by the Purchaser, on the one hand, or by the Vendor, on the other hand, upon written notice to the other Party if (i) the Approval and Vesting Order has not been obtained by November 28, 2016, or such later date as the Parties may agree, or (ii) the Court declines at any time to grant the Approval and Vesting Order, in each case for reasons other than a breach of this Agreement by either the Purchaser, on the one hand, or the Vendor, on the other hand;

(4) by written notice from the Purchaser to the Vendor if there has been a material breach by the Vendor of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 impossible by the Outside Date, or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days following the date upon which the Vendor received such notice;

(5) by written notice from the Purchaser to the Vendor any time after the Outside Date, if the Closing has not occurred by the Outside Date for reasons other than as set out in Section 9.1(3), and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;



(6) by written notice from the Vendor to the Purchaser if there has been a material breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.2 impossible by the Outside Date, or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days following the date upon which the Purchaser received such notice;

(7) by written notice from the Vendor to the Purchaser any time after the Outside Date, if the Closing has not occurred by the Outside Date for reasons other than as set out in Section 9.1(3), and such failure to close is not caused by or as a result of the Vendor's breach of this Agreement; or

(8) by written notice from the Vendor to the Purchaser if the Deposit has not been paid pursuant to Section 3.2(1) within three (3) Business Days of the date of this Agreement.

**9.2 Effect of Termination.** If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in this Section 9.2 (*Effect of Termination*) and Sections 6.4 (*Release*), 9.3 (*Treatment of Deposit*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.7 (*Entire Agreement*), 10.8 (*Amendment*), 10.10 (*Severability*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*Monitor's Capacity*), 10.18 (*Third Party Beneficiaries*) and 10.20 (*Language*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination.

### **9.3 Treatment of Deposit.**

(1) *Retention of Deposit.* In the event that this Agreement is terminated by the Vendor pursuant to Section 9.1(6), the Deposit shall be forfeited by the Purchaser and retained by the Monitor on behalf of the Vendor as a genuine estimate of liquidated damages, and not as a penalty. The retention of the Deposit shall be the Vendor's sole and exclusive remedy for any termination of this Agreement, unless such termination results from the gross negligence or willful breach of the terms of this Agreement by the Purchaser.

(2) *Return of Deposit.* In the event that this Agreement is terminated other than a termination by the Vendor pursuant to Section 9.1(6), the Deposit shall be returned to the Purchaser. The return of the Deposit shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement unless such termination results from the gross negligence or willful breach of the terms of this Agreement by the Vendor.

(3) *Transfer Tax Gross Up.* In the event that any payment or forfeiture under this Agreement is deemed by the *Excise Tax Act* (Canada) to include GST/HST, or is deemed by any applicable provincial or territorial legislation to include a similar value added or multi-staged tax, the amount of such payment or forfeiture shall be increased accordingly.

## ARTICLE 10 GENERAL

**10.1 Survival.** All representations, warranties, covenants and agreements of the Vendor or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement. For greater certainty, Sections 3.4 (*Allocation of Purchase Price*), 4.3 (*As is, Where is*), 5.1 (*Removal of Purchased Assets*), 6.3 (*Risk of Loss*), 6.4 (*Release*), 6.5 (*Trademarked and Branded Assets*), 6.6 (*Indemnity*), 10.1 (*Survival*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.6 (*Further Assurances*), 10.7 (*Entire Agreement*), 10.8 (*Amendment*), 10.9 (*Waiver*), 10.10 (*Severability*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*Monitor's Capacity*), 10.18 (*Third Party Beneficiaries*) and 10.20 (*Language*), shall survive Closing.

**10.2 Expenses.** Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers).

**10.3 Public Announcements.** An unredacted copy of this Agreement will be disclosed to and may be filed with the Court, and if filed with the Court, the Vendor shall seek a sealing order of the Court with respect to such unredacted copy. The Vendor shall be entitled to disclose a copy of this Agreement with the quantum of the Purchase Price, Deposit and allocation of the Purchase Price as set out in Schedule "C" redacted, and all information provided by the Purchaser in connection herewith, to the service list in the CCAA Proceedings and any other parties of interest, and a redacted copy of this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding two (2) sentences, the Vendor and the Purchaser shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may, upon the advice of counsel, be required by Applicable Law or by any Governmental Authority with competent jurisdiction including any applicable securities Laws. Notwithstanding any other provision of this Agreement, unless such information is otherwise publicly disclosed or, upon the advice of counsel, required by Applicable Law or by any Governmental Authority to be disclosed (including in any Tax Returns), the Purchaser shall not disclose the quantum of the Purchase Price, Deposit or allocation of the Purchase Price as set out in Schedule "C" to any Person without the prior written consent of the Vendor and the Monitor.

### 10.4 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by

prepaid courier service, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

- (a) if to the Vendor, to:

Cliffs Québec Iron Mining ULC  
c/o 199 Bay Street, Suite 4000, Commerce Court West  
Toronto, ON M5L 1A9

Attention: James Graham, Executive Vice President  
Chief Legal Officer and Secretary AND  
Clifford T. Smith, Executive Vice President, Business Development  
Email: [James.Graham@CliffsNR.com](mailto:James.Graham@CliffsNR.com) / [Clifford.Smith@CliffsNR.com](mailto:Clifford.Smith@CliffsNR.com)

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000, Commerce Court West  
Toronto, ON M5L 1A9  
Attention: Thomas A. McKee/ Milly Chow  
Email: [tom.mckee@blakes.com](mailto:tom.mckee@blakes.com) / [milly.chow@blakes.com](mailto:milly.chow@blakes.com)

- (b) if to the Purchaser, to:

Tata Steel Minerals Canada Limited  
1000 Sherbrooke West, Suite 1120  
Montreal, QC H3A 3G4  
Attention: Ratnesh Choubey/Rusi Subawalla  
Email: [ratnesh.choubey@tatasteelcanada.com](mailto:ratnesh.choubey@tatasteelcanada.com) /  
[rusi.subawalla@tatasteelcanada.com](mailto:rusi.subawalla@tatasteelcanada.com)

- (c) and in either case, with a copy to the Monitor, to:

FTI Consulting Canada Inc.  
TD South Tower, 790 Wellington Street West  
Toronto Dominion Centre, Suite 2010, P.O. Box 104  
Toronto, ON M5K 1G8  
Attention: Nigel Meakin  
Email: [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com)

and

Norton Rose Fullbright Canada LLP  
1 Place Ville Marie, Suite 2500  
Montréal, QC H3B1R1  
Attention: Sylvain Rigaud  
Email: [sylvain.rigaud@nortonrosefulbright.com](mailto:sylvain.rigaud@nortonrosefulbright.com)

(2) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic

communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(3) *Change of Address.* Any Party may from time to time change its address under this Section 10.4 by notice to the other Party given in the manner provided by this Section 10.4.

**10.5 Time of Essence.** Time shall be of the essence of this Agreement in all respects.

**10.6 Further Assurances.** The Vendor and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

**10.7 Entire Agreement.** Other than any confidentiality agreement, non-disclosure agreement or similar undertaking or agreement signed by the Purchaser in favour of the CCAA Parties, or any of them, which remain in full force and effect, unamended by this Agreement, this Agreement and the agreements contemplated hereby constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

**10.8 Amendment.** No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

**10.9 Waiver.** A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

**10.10 Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**10.11 Remedies Cumulative.** The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

**10.12 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

**10.13 Dispute Resolution.** If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct.

**10.14 Attornment.** Each Party agrees (a) that any Legal Proceeding relating to this Agreement may (but need not) be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.14. Each Party agrees that service of process on such Party as provided in Section 10.4 shall be deemed effective service of process on such Party.

**10.15 Successors and Assigns.** This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

**10.16 Assignment.** Neither the Purchaser nor the Vendor may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party.

**10.17 Monitor's Capacity.** The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendor and the other CCAA Parties in the CCAA Proceedings, will have no Liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal capacity or otherwise.

**10.18 Third Party Beneficiaries.** This Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**10.19 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

**10.20 Language.** The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language. Les parties aux présentes ont exigé que le présent contrat et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**CLIFFS QUÉBEC IRON MINING ULC**

By: Clifford T. Smith  
Name: Clifford T. Smith  
Title: Executive Vice President

I have authority to bind the corporation.

**TATA STEEL MINERALS CANADA LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**CLIFFS QUÉBEC IRON MINING ULC**

By: \_\_\_\_\_  
Name: Clifford T. Smith  
Title: Executive Vice President

I have authority to bind the corporation.

**TATA STEEL MINERALS CANADA LIMITED**

By: \_\_\_\_\_   
Name: Rajesh Sharma  
Title: CEO & Managing Director

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.

**SCHEDULE "A"**

**FORM OF APPROVAL AND VESTING ORDER**

**SUPERIOR COURT**  
(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N<sup>o</sup>: 500-11-048114-157

DATE: November 28, 2016

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**PRESIDING: THE HONOURABLE STEPHEN W. HAMILTON J.S.C.**

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED:**

**CLIFFS QUÉBEC IRON MINING ULC**

Petitioner

-and-

**TATA STEEL MINERALS CANADA LIMITED**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS  
(Québec)**

Mise-en-cause

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**APPROVAL AND VESTING ORDER**

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- [1] **ON READING** the Petitioner's *Motion for the Issuance of an Approval and Vesting Order with respect to the sale of certain assets* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the Report of the Monitor dated , 2016, (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the Petitioner's and the Monitor's attorneys;
- [4] **SEEING** that Cliffs Natural Resources Inc. consents to the Motion, and no creditor has objected to the Motion;
- [5] **SEEING** that it is appropriate to issue an order approving the transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated as of November 15, 2016 by and between Cliffs Québec Iron Mining ULC, as vendor (the "**Vendor**") and Tata Steel Minerals Canada Limited, as purchaser (the "**Purchaser**"), a redacted copy of which was filed as Exhibit R-4 to the Motion, and vesting in the Purchaser all of Vendor's right, title and interest in and to all of the Purchased Assets as defined in the Purchase Agreement and listed in **Schedule "B"** hereto.

**FOR THESE REASONS, THE COURT HEREBY:**

- [6] **GRANTS** the Motion.
- [7] **ORDERS** that all capitalized terms in this Order shall have the meaning given to them in the Purchase Agreement unless otherwise indicated herein.

**SERVICE**

- [8] **ORDERS** that any prior time period for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [9] **PERMITS** service of this Order at any time and place and by any means whatsoever.

**SALE APPROVAL**

- [10] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor is hereby authorized and approved, *nunc pro tunc*.
- [11] **AUTHORIZES AND DIRECTS** the Monitor to hold the Deposit, *nunc pro tunc*, and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

**AUTHORIZATION**

- [12] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no other approval or

authorization, including any board or shareholder approval, shall be required in connection therewith.

### **EXECUTION OF DOCUMENTATION**

- [13] **AUTHORIZES AND DIRECTS** the Vendor, Purchaser and the Monitor to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor, and any other ancillary document which could be required or useful to give full and complete effect thereto

### **VESTING OF THE PURCHASED ASSETS**

- [14] **ORDERS AND DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Vendor should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, or any other applicable legislation providing for a security interest in personal or movable property, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [15] **ORDERS AND DIRECTS** the Monitor, upon receipt of (i) payment in full of the Purchase Price, Transfer Taxes (if any are payable) for remittance to the applicable taxation authorities in accordance with Applicable Law, in the amounts set out in the Conditions Certificates, and (ii) each of the Conditions Certificates, to (a) issue forthwith its Certificate concurrently to the Vendor and the Purchaser; and (b) file forthwith after issuance thereof a copy of the Certificate with the Court.
- [16] **DECLARES** that the Monitor shall be at liberty to rely exclusively on the Conditions Certificates in issuing the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.
- [17] **AUTHORIZES and DIRECTS** the Monitor to receive and hold the Purchase Price and to remit the Purchase Price in accordance with the provisions of this Order.

**CANCELLATION OF SECURITY REGISTRATIONS**

- [18] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Certificate, to reduce the scope of the registrations carrying the following numbers in connection with the Purchased Assets (as detailed in Schedule "B" hereto) in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations:
- a) Conventional hypothec without delivery number 13-0866210-0002;
  - b) Conventional hypothec without delivery number 13-0871599-0001; and
  - c) Conventional hypothec without delivery number 13-0971821-0002.

**NET PROCEEDS**

- [19] **ORDERS** that any amounts payable to the Vendor in accordance with the Purchase Agreement (the "**Proceeds**") shall be remitted to the Monitor and shall, subject to the provisions of this Order, be held by the Monitor on behalf of the Vendor pending further order of the Court.
- [20] **AUTHORIZES AND DIRECTS** the Monitor, as soon as practicable after Closing, to remit to the applicable taxing authorities in accordance with Applicable Law, the Transfer Taxes (if any are payable) received by the Monitor from the Purchaser on Closing as set out in the Conditions Certificates, at the direction of, and on behalf of the Vendor.
- [21] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the balance of the Proceeds remaining following deduction for the Transfer Taxes (if any are payable) that are remitted by the Monitor pursuant to Paragraph 20 of this Order (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that upon the issuance of the Certificate, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing, as if the Purchased Assets had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the Closing.
- [22] **ORDERS** that, following the issuance of the Certificate, the Purchaser shall have no recourse or claim of any kind against the Net Proceeds.

**VALIDITY OF THE TRANSACTION**

- [23] **ORDERS** that notwithstanding:
- a) the pendency of the proceedings under the CCAA;
  - b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and any order issued pursuant to any such petition;
  - c) any application for a receivership order; or

- d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### **LIMITATION OF LIABILITY**

- [24] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.
- [25] **DECLARES** that no Action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

### **GENERAL**

- [26] **DECLARES** that the Vendor and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [27] **[ORDERS that the unredacted Purchase Agreement filed with the Court shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.]**
- [28] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [29] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.
- [30] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

[31] **ORDERS** the provisional execution of this Order, including without limiting the general application of the foregoing, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT COSTS.**

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**STEPHEN W. HAMILTON J.S.C.**

M<sup>tre</sup> Bernard Boucher  
(Blake, Cassels & Graydon LLP)  
Attorneys for the Petitioner

Hearing date: November 28, 2016

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

FORM OF CERTIFICATE OF THE MONITOR

**SUPERIOR COURT**

(Commercial Division)

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

File: No: 500-11-048114-157

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED:

**CLIFFS QUÉBEC IRON MINING ULC**

Petitioner

-and-

**TATA STEEL MINERALS CANADA LIMITED**

Mise-en-cause

-and-

**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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**RECITALS**

- A.** Pursuant to an initial order rendered by the Honourable Mr. Justice Martin Castonguay, J.S.C., of the Superior Court of Québec, Commercial Division (the "**Court**") on January 27, 2015 (as amended on February 20, 2015 and as may be further amended from time to time, the "**Initial Order**"), FTI Consulting Canada Inc. (the "**Monitor**") was appointed to monitor the business and financial affairs of Cliffs Québec Iron Mining ULC, Quinto Mining Corporation, 8568391 Canada Limited, Bloom Lake General Partner Limited, the Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership (collectively, the "**Bloom Lake CCAA Parties**").
- B.** Pursuant to an order (the "**Approval and Vesting Order**") rendered by the Court on •, 2016, the transaction contemplated by the Asset Purchase Agreement dated as of •, 2016 (the "**Purchase Agreement**") by and between Cliffs Québec Iron Mining ULC, as

vendor (the "**Vendor**") and Tata Steel Minerals Canada Limited, as purchaser (the "**Purchaser**"), was authorized and approved, with a view, *inter alia*, to vest in and to the Purchaser, all of the Vendor's right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement).

- C. Each capitalized term used and not defined herein has the meaning given to such term in the Purchase Agreement.
- D. The Approval and Vesting Order provides for the vesting of all of the Vendor's right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Monitor confirming that the Vendor and the Purchaser have each delivered Conditions Certificates to the Monitor.
- E. In accordance with the Approval and Vesting Order, the Monitor has the power to authorize, execute and deliver this Certificate.
- F. The Approval and Vesting Order also directed the Monitor to file with the Court, a copy of this Certificate forthwith after issuance thereof.

**THEREFORE, IN RELIANCE UPON THE CONDITIONS CERTIFICATES ADDRESSED AND DELIVERED TO THE MONITOR BY EACH OF THE VENDOR AND THE PURCHASER, THE MONITOR CERTIFIES THE FOLLOWING:**

1. The Monitor has received (i) payment in full of the Purchase Price, and (ii) payment in full of the Transfer Taxes (if any are payable) payable by the Purchaser on Closing in the amounts set out in the Conditions Certificates, all in accordance with the Purchase Agreement.
2. The Vendor and the Purchaser have each delivered to the Monitor the Conditions Certificates evidencing that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, as applicable.
3. The Closing Time is deemed to have occurred at <TIME> on <\*>, 2016.

**THIS CERTIFICATE** was issued by the Monitor at <TIME> on <\*>, 2016.

***FTI Consulting Canada Inc., in its capacity as Monitor of the CCAA Parties, and not in its personal or corporate capacity***

By: \_\_\_\_\_  
Name: Nigel Meakin

**SCHEDULE "B" TO APPROVAL AND VESTING ORDER**

**Purchased Assets**

<b>Equipment - Car No.</b>	
1	CLMX 10806
2	CLMX 10835
3	CLMX 10836
4	CLMX 10837
5	CLMX 10838
6	CLMX 10839
7	CLMX 10841
8	CLMX 10842
9	CLMX 10843
10	CLMX 10846
11	CLMX 10847
12	CLMX 10848
13	CLMX 10849
14	CLMX 10850
15	CLMX 10851
16	CLMX 10852
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27	CLMX 10866
28	CLMX 10867
29	CLMX 10868
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31	CLMX 10870
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35	CLMX 10874
36	CLMX 10875



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158	CLMX	11119
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308	CLMX	11297
309	CLMX	11298
310	CLMX	11303

**SCHEDULE "B"**

**PURCHASED ASSETS**

1. 310 railcars (National Steel Car built ore gondolas, specification P-475 and Folio 23429982-A):

<b>Equipment - Car No.</b>	
1	CLMX 10806
2	CLMX 10835
3	CLMX 10836
4	CLMX 10837
5	CLMX 10838
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7	CLMX 10841
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9	CLMX 10843
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260	CLMX	11247
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264	CLMX	11251
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266	CLMX	11253
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269	CLMX	11256
270	CLMX	11257
271	CLMX	11258
272	CLMX	11259
273	CLMX	11260
274	CLMX	11261
275	CLMX	11262
276	CLMX	11263
277	CLMX	11264
278	CLMX	11265
279	CLMX	11266
280	CLMX	11267

281	CLMX	11268
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283	CLMX	11270
284	CLMX	11271
285	CLMX	11272
286	CLMX	11273
287	CLMX	11274
288	CLMX	11275
289	CLMX	11276
290	CLMX	11277
291	CLMX	11278
292	CLMX	11279
293	CLMX	11280
294	CLMX	11281
295	CLMX	11282
296	CLMX	11283
297	CLMX	11284
298	CLMX	11285
299	CLMX	11286
300	CLMX	11287
301	CLMX	11288
302	CLMX	11290
303	CLMX	11291
304	CLMX	11292
305	CLMX	11293
306	CLMX	11294
307	CLMX	11296
308	CLMX	11297
309	CLMX	11298
310	CLMX	11303

**SCHEDULE "C"**

**ALLOCATION OF PURCHASE PRICE**

<b>Equipment</b>	<b>Price Per Individual Piece of Equipment</b>	<b>Total Price of Equipment</b>
310 railcars (National Steel Car built ore gondolas, specification P-475 and Folio 23429982-A)	<REDACTED>	<REDACTED>
<b>TOTAL PURCHASE PRICE</b>		<REDACTED>