

This proof of claim is being submitted in part on a de bene esse basis (see description below)

SCHEDULE H

R-13

PROOF OF CLAIM FOR CLAIMS AND RESTRUCTURING CLAIMS AGAINST THE BLOOM LAKE CCAA PARTIES AND/OR THE WABUSH CCAA PARTIES

The "Bloom Lake CCAA Parties" are:

Bloom Lake General Partner Limited
Quinto Mining Corporation
856839 Canada Limited
Cliffs Quebec Iron Mining ULC
Bloom Lake Railway Company Limited
The Bloom Lake Iron Ore Mine Limited Partnership

The "Wabush CCAA Parties" are:

Wabush Iron Co. Limited
Wabush Resources Inc.
Wabush Mines
Arnaud Railway Company
Wabush Lake Railway Company Limited

(The Bloom Lake CCAA Parties and Wabush CCAA Parties collectively form the "CCAA Parties")

Please read the enclosed Instruction Letter carefully prior to completing the attached Proof of Claim. Capitalized terms not defined within this Proof of Claim form or the appended Instruction Letter shall have the meaning ascribed thereto in the Claims Procedure Order dated November 5, 2015 and amended on November 16, 2015 and as may be further amended, restated or supplemented from time to time. A copy of the Claims Procedure Order can be found on the Monitor's website at: <http://cfcanada.fticonsulting.com/bloomlake/>

Particulars of Creditor:

Please provide the following information:

Legal Name of Creditor:	Beumer Corporation
Doing Business As:	
Legal Counsel or Representative (if applicable):	Me Alain Riendeau
Address:	
Number and Street (line 1)	800 Place Victoria
Number and Street (line 2)	Suite 3700
City	Montréal
Province / State	Québec
Postal / Zip Code	H4Z 1E9
Country	Canada
Telephone Number (including area code):	514-397-7678
E-mail address:	ariendeau@fasken.com
Attention (Contact Person):	Alain Riendeau

Proof of Claim (other than Restructuring Claims):

I, Kathleen Karenko (name of individual Creditor or Representative of corporate Creditor), of Somerset, NJ USA (City, Province or State) do hereby certify:

that I am a Creditor; OR

am the General Counsel (position or title) of BRUMER Corporation (name of Creditor); and

that I have knowledge of all the circumstances connected with the Claim referred to below:

CCAA Party Name	Currency (CAD, USD, etc.) [1]	Amount of Unsecured Claim [2]	Amount of Secured Claim [3]	Particulars of Security (Secured Claims ONLY), e.g. General Security Agreement, hypothec, etc. [4]
Bloom Lake CCAA Parties				
Cliffs Quebec Iron Mining ULC		\$	\$	
The Bloom Lake Iron Ore Mine Limited Partnership	USD	\$	7,651,012 +	Escrowed Funds and Legal hypothec of construction (see details below)
Bloom Lake General Partner Limited		\$	interest	
Quinto Mining Corporation		\$	\$	
8568391 Canada Limited		\$	\$	
Bloom Lake Railway Company Limited		\$	\$	
Wabush CCAA Parties				
Wabush Mines		\$	\$	
Wabush Iron Co. Limited		\$	\$	
Wabush Resources Inc.		\$	\$	
Arnaud Railway Company		\$	\$	
Wabush Lake Railway Company Limited		\$	\$	

Notes:

[1] Claims in a currency other than Canadian Dollars will be converted to Canadian Dollars at the noon spot rate of the Bank of Canada as at the Determination Date (January 27, 2015 for Bloom Lake CCAA Parties and May 20, 2015 for Wabush CCAA Parties).

[2] An "Unsecured" Claim is one for which no assets of any of the CCAA Parties are pledged as security.

[3] A "Secured" Claim is one which for which assets of the any one of the CCAA Parties are charged or held as security pursuant to statutory right or agreement.

[4] Provide full particulars of the security, including the date on which the security was given and attach a copy of the security documents - See Particulars of Claim(s) below.

Particulars and Basis of Claim(s)

In the space below, please provide the particulars and basis for the amount of the Claim(s) indicated in the tables above. Additional pages may be attached if more space is required.

A total amount of \$7,651,012 USD (plus interest) is owed by The Bloom Lake Iron Ore Mine Limited Partnership ("Bloom Lake LP") to Beumer Corporation ("Beumer") (Attachment 1) emanating from two contracts (the "Contracts") under which Beumer provided to Beumer certain construction services and supplies (Attachment 2).

In accordance with the Contracts, Bloom Lake LP was required to establish an escrow account to transfer the retained sums representing 10% of the total amount each invoice. These sums were earned by Beumer pursuant to the Contracts. An additional 5% payment was also earned by Beumer pursuant to the Contracts.

On June 28, 2013, Bloom Lake LP and Beumer entered into an Escrow Agreement (the "Escrow Agreement") pursuant to which Bloom Lake LP was required to transfer \$6,330,854.00 USD into an escrow account, representing the 10% retained amount and the final 5% earned by Beumer pursuant to the Contracts. The escrow account was funded by Bloom Lake LP on July 5, 2013.

On January 27, 2015, Bloom Lake LP was granted protection under the CCAA.

On October 23, 2015, the CCAA Parties, including Bloom Lake LP, filed a motion to release the Escrowed Funds (the "Escrow Motion"), in which it is claimed that the Escrowed Funds remain the patrimony of Bloom Lake LP.

On December 17, 2015, Beumer filed its contestation (the "Constestation") of the Escrow Motion (Attachment 3), namely on the following grounds (i) the Escrowed Funds have been earned by Beumer and have left the patrimony of Bloom Lake LP prior to filing for CCAA protection (ii) alternatively, Beumer and Bloom Lake are joint-owners of the Escrowed Funds and the proportional share of each shall be determined upon resolution of the dispute or (iii) alternatively, the Escrowed Funds have been pledged by Bloom Lake LP in favour of Beumer.

Beumer asserts that it is immediately entitled to obtain the release of the Escrowed Funds (plus 50% of interest earned on the Escrowed Funds), as it is more fully described and requested in the Contestation.

There is however a difference of \$1,320,158 USD between the total amount owed by Bloom Lake LP to Beumer. Beumer is therefore presently submitting this proof of claim for a secured amount of \$1,320,158 USD (plus interest). Such amount is secured under Beumer's legal hypothec of construction.

This proof of claim is also being submitted on a de bene esse basis as follows:

1) If the Contestation is granted on the basis that Beumer and Bloom Lake LP are "joint-owners" of the Escrowed Funds, Beumer shall be deemed to make a property claim for an amount of \$6,330,854.00 USD (plus 50% of interest earned on the Escrowed Funds) and a secured claim of \$1,320,158 USD (plus interest) stemming from the legal hypothec of construction.

2) If the Contestation is granted on the basis that the Escrowed Funds have been pledged in favour of Beumer, the present proof of claim is deemed to be submitted for a secured amount of \$6,330,854.00 USD (plus 50% of interest earned on the Escrowed Funds) stemming from the pledge and a secured amount of \$1,320,158 USD (plus interest) stemming from the legal hypothec of construction.

(3) If the Escrow Motion is granted and the Escrowed Funds are released to Bloom Lake LP, the present proof of claim shall be deemed to be submitted for a secured amount of \$7,651,012 USD (plus interest) stemming from the legal hypothec of construction.

List of documentation evidencing Claim(s) indicated in the tables above (please attach all documentation to this Proof of Claim form):

Attachment 1 (description): Statement of account

Attachment 2 (description): Escrow Agreement

Attachment 3 (description): Beumer's Contestation of the Amended Motion to Release Escrowed Fund


Attachment 4 (description): Notice of legal hypothec and proof of registration (en liasse)

Attachment 5 (description): Prior notice of the exercise of a hypothecary right and proof of registration

[If documentation exceeds 5 attachments, please attach separate list.]

DATED this 18th day of December, 2015.

H. Bassford
Witness:

Per: 

Print name of Creditor:
Beumer Corporation

If Creditor is other than an individual, print name and title of authorized signatory

Name: Kathleen Karenko

Title: Genereal counsel

Filing of Claims:

A **Proof of Claim** (other than for Restructuring Claims), **must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern time) on December 18, 2015**, or such later date as may be ordered by the Court, (the “**Claims Bar Date**”).

A **Proof of Claim with respect to a Restructuring Claim** must be received by the Monitor by the later of: **(a)** the Claims Bar Date, and **(b)** by 5:00 p.m. on the day which is 21 days after any of (i) the date of the applicable Notice of Disclaimer or Resiliation becomes effective, (ii) the Court Order settling a contestation against such Notice of Disclaimer or Resiliation brought pursuant to Section 32(5)(b) of the CCAA, or (iii) the date of the event giving rise to the Restructuring Claim, or **(c)** such later date as may be ordered by the Court (the “**Restructuring Claims Bar Date**”).

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING FOREVER BARRED AND EXTINGUISHED, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE CCAA PARTIES.

Proofs of Claim must be delivered by email to the Monitor at the applicable email address shown below.

[Bloom Lake CCAA Parties' Creditors
bloomlake@fticonsulting.com](mailto:bloomlake@fticonsulting.com)

[Wabush CCAA Parties' Creditors
wabush@fticonsulting.com](mailto:wabush@fticonsulting.com)

The subject line of your email should read “Proof of Claim – [legal name of Creditor]” and the following naming protocol must be used for any attachments included in the email:

For a Proof of Claim: **Proof_of_Claim_[legal name of Creditor].pdf**

For support schedules (if not already included in the Proof of Claim file): **Proof_of_Claim_[legal name of Creditor]_schedule [x of y].pdf**

In the event that you are unable or unwilling to submit your Proof of Claim by email, you may deliver your Proof of Claim by prepaid registered mail, personal delivery or courier to the following address:

FTI Consulting Canada Inc., in its capacity as Monitor of the [**Bloom Lake** or **Wabush**]
CCAA Parties

79 Wellington Street West
TD Waterhouse Tower, Suite 2010
PO Box 104
Toronto, Ontario M5K 1G8
Attention: Steven Bissell

Attachment 1 - Statement of Account

Summary of Outstanding funds owed on Bloom Lake's PO 272

1) Outstanding Retention on below invoices, compromising 95% of Original Order **\$ 4,147,800**

%Terms/Approx Inv. Date	Date	BC Invoice#	Invoice Amount Before Tax/RET.	Invoice Less Retention	Retention
10% down payment	13/10/2011	101000781	\$ 4,366,106.20	\$ 3,929,495.58	\$ 436,610.62
25%-start of purch.	13/10/2011	101000781	\$ 10,915,265.50	\$ 9,823,738.94	\$ 1,091,526.56
5%-eng. Documents	29/12/2011	101000800	\$ 2,183,053.10	\$ 1,964,747.78	\$ 218,305.32
6%-March installmt	08/03/2012	101200015	\$ 2,918,241.45	\$ 2,626,417.32	\$ 291,823.70
9%-April installmt	05/04/2012	501200458	\$ 4,202,267.72	\$ 3,782,040.96	\$ 420,226.77
9%-May installmt	08/05/2012	501200642	\$ 3,118,870.57	\$ 2,806,983.51	\$ 311,887.06
10%-June Installmt	28/06/2012	501200876	\$ 3,650,720.08	\$ 3,285,648.08	\$ 365,072.00
8%-July installmt	09/08/2012	501201175	\$ 3,948,380.71	\$ 3,553,542.65	\$ 394,838.07
8%-August installmt	14/09/2012	501201383	\$ 2,687,700.40	\$ 2,418,930.37	\$ 268,770.05
8%-September installmt	23/10/2012	501201596	\$ 1,304,350.00	\$ 1,173,914.99	\$ 130,435.01
5%-Equip start	28/11/2012	501201774	\$ 2,183,053.10	\$ 1,964,747.78	\$ 218,305.32

2) Outstanding invoice for Final 5% of Original Order **\$ 2,183,053**

%Terms/Approx Inv. Date	Date	BC Invoice#	Invoice Amount (incl Tax* Retention	Less Taxes	Due
5%-Acceptance	15/02/2013	501300176	\$ 2,477,274.08	-\$ 294,220.98	\$ 2,183,053.10

Items 1 & 2 above constitute the \$6,330,854 placed into Interest Bearing **\$ 6,330,854**

Escrow Account, resulting from Civil Action No 1:13-cv-01513 in US District Court
(Northern District of Ohio Eastern Division , Beumer Corp vs Blook Lake Iron Ore Mine)

3) Tax Portion of unpaid Final Invoice (See item 2 above) **\$ 294,221**

4) The below outstanding claims have been previously discussed and requested **\$ 1,025,937**

<i>Claim - Disruption of Acceleration costs</i>			\$ 622,600.00
<i>Claim- Fabriaction and Materials beyond scope</i>			\$ 337,357.00
<i>Claim- Engineering beyond Scopee</i>			\$ 65,980.00

5) 50% of Interest earned on the \$6,330,854 Escrow Balance. **UNKNOWN**

FINAL TOTAL **\$ 7,651,012 + Interest**

Attachment 2 - Escrow Agreement

ESCROW AGREEMENT

BETWEEN:

The Bloom Lake Iron Ore Mine Limited Partnership

- and -

Beumer Corporation

- and -

BMO Trust Company

June 28, 2013

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION2

 1.1 Defined Terms.....2

 1.2 Rules of Construction.....2

ARTICLE 2 APPOINTMENT OF ESCROW AGENT3

 2.1 Appointment of Escrow Agent.....3

 2.2 Deposit and Receipt of the Escrowed Funds.....3

 2.3 Basis and Effect of the Escrowed Funds.....3

ARTICLE 3 INVESTMENT OF THE ESCROWED FUNDS4

 3.1 Investment4

 3.2 Reinvestment.....4

 3.3 No Guaranteed Income.....5

 3.4 Monthly Statements.....5

ARTICLE 4 RELEASE OF ESCROWED FUNDS5

 4.1 Release of Escrowed Funds.....5

 4.2 Escrow Agent not a Trustee5

ARTICLE 5 COMPLIANCE WITH JUDICIAL PROCEEDINGS.....6

 5.1 Compliance with Judicial Proceedings6

ARTICLE 6 DEALING WITH THE ESCROWED FUNDS ON DIRECTIONS6

 6.1 Dealing with the Escrowed Funds on Directions6

ARTICLE 7 TAXES.....6

 7.1 Taxes6

ARTICLE 8 TERMINATION OF AGREEMENT7

 8.1 Termination of Agreement.....7

ARTICLE 9 RESIGNATION AND TERMINATION OF THE ESCROW AGENT7

9.1 Resignation and Termination of Escrow Agent7

ARTICLE 10 DUTIES AND LIABILITIES OF THE ESCROW AGENT.....8

10.1 Duties Limited8

10.2 Employment of Agents.....8

10.3 Reliance on Documents.....8

10.4 No Representations and Warranties9

10.5 Legal Proceedings9

10.6 Indemnification of the Escrow Agent9

10.7 Decision to Act or Not to Act.....10

10.8 Declaration Re: Third Party Interest10

10.9 Liabilities.....10

ARTICLE 11 FEES AND EXPENSES.....11

11.1 Fees and Expenses.....11

ARTICLE 12 GENERAL12

12.1 Notices.....12

12.2 Counterparts13

12.3 Waiver14

12.4 Successors and Assigns14

12.5 Amendments.....14

12.6 Severability.....14

12.7 Disputes14

ANNUAL ADMINISTRATION FEE.....5

OUT-OF-POCKET EXPENSES5

THIS ESCROW AGREEMENT dated June 25, 2013,

BETWEEN:

The Bloom Lake Iron Ore Mine Limited Partnership, a limited partnership subsisting under the laws of the Province of Ontario, acting through its general partner, Bloom Lake General Partner Limited,

(“**BLLP**”)

AND:

Beumer Corporation, a body corporate subsisting under the laws of the State of Delaware,

(“**Beumer**”)

(BLLP and Beumer collectively referred to as the “**Parties**”)

AND:

BMO Trust Company, a trust company existing under the laws of Canada (hereinafter referred to as the “**Escrow Agent**”)

WHEREAS:

A. BLLP and Beumer desire to engage the services of the Escrow Agent to hold certain funds in escrow until the resolution of a certain contractual dispute between the Parties in the context of the sale of certain equipments to BLLP by Beumer pursuant to two Purchase Agreements dated as of October 1, 2011, and one Purchase Order, dated as of October 4, 2011, by and between the Parties (collectively the “**Purchase Agreements**”), and for which the Parties are currently in dispute (the “**Dispute**”); and

B. The Escrow Agent has agreed to act as escrow agent for the purpose of holding and disbursing the Escrowed Funds (defined below) pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties and the Escrow Agent hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Defined Terms

Whenever used in this Agreement or in the Schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

- (a) **“Agreement”** means this Escrow Agreement entered into among BLLP, Beumer and the Escrow Agent.
- (b) **“Business Day”** means any day other than a day which is a Saturday, a Sunday or a day on which banks in Toronto, Ontario or Montréal, Québec are not generally open for business;
- (c) **“Escrowed Funds”** has the meaning attributed thereto in Section 2.2;
- (d) **“Initial Escrowed Funds”** has the meaning attributed thereto in Section 2.2;
- (e) **“Parties”** means, collectively, the parties to this Agreement and **“Party”** means any one of such Parties;

1.2 Rules of Construction

Interpretation of this Agreement shall be governed by the following rules of construction:

- (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires;
- (b) references to the terms Article, Section, paragraph and Schedule are references to the Articles, Sections and paragraphs in, and Schedules to, this Agreement, unless otherwise specified;
- (c) references to “\$” or dollars shall mean US dollars;
- (d) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified;
- (e) the word “or” shall not be exclusive;
- (f) the words “herein,” “hereof” or “hereunder”, and similar terms are deemed to refer to this Agreement as a whole and not to any specific Section;
- (g) the division of this Agreement into Sections and the use of headings and the provision of a table of contents in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement;

- (h) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted;
- (i) if a word or phrase is defined, the other grammatical forms of such word or phrase have a corresponding meaning;
- (j) references to any statute, listing rule, rule, standard, regulation or other law include a reference to (a) the corresponding rules and regulations and (b) each of them as amended, modified, supplemented, consolidated, replaced or rewritten from time to time;
- (k) references to any Section of any statute, listing rule, rule, standard, regulation or other law include any successor to such Section;
- (l) unless otherwise specified, references to time of day or date mean the local time or date in the city of Montreal, Québec; and
- (m) time shall be of the essence hereof.

ARTICLE 2

APPOINTMENT OF ESCROW AGENT

2.1 Appointment of Escrow Agent

The Parties appoint the Escrow Agent to act, and the Escrow Agent agrees to act, as escrow agent, in accordance with the terms and conditions of this Agreement.

2.2 Deposit and Receipt of the Escrowed Funds

The Parties agree that the sum of \$6,330,854 (the “**Initial Escrowed Funds**”) will, upon execution of this Agreement by the Parties and the Escrow Agent, be deposited by wire transfer by BLLP with the Escrow Agent (the Initial Escrowed Funds, plus any interest earned thereon, minus any amounts distributed by the Escrow Agent in accordance with the terms of this Agreement from time to time, is hereinafter referred to as the “**Escrowed Funds**”). Subject to receipt of the Initial Escrowed Funds, the Escrow Agent agrees to hold and deal with the Escrowed Funds in accordance with the terms and conditions of this Agreement.

2.3 Basis and Effect of the Escrowed Funds.

The Parties intend for the Initial Escrowed Funds to represent the final five percent (5%) payment specified in the Purchase Agreements, less 10% withholding on such amount, which equals to the amount of \$1,964,748, plus the aggregate ten percent (10%) withholding amount specified in the Purchase Agreements, equal to the amount of \$4,366,106. Nothing herein constitutes a representation, admission, or denial regarding the proper interpretation of the Purchase Agreements or existence or extent of liability under the Purchase Agreements or any modifications thereto.

ARTICLE 3
INVESTMENT OF THE ESCROWED FUNDS

3.1 Investment

Upon receipt by the Escrow Agent of a joint written direction from the Parties, in the form attached as Schedule A, the Escrow Agent shall invest the Escrowed Funds in Authorized Investments (defined below) in its name in accordance with such direction. Any direction from the Parties to the Escrow Agent shall be in writing and shall be provided to the Escrow Agent no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such direction received by the Escrow Agent after 9:00 a.m. (Toronto time) or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. (Toronto time) on the next Business Day. For the purpose hereof, "Authorized Investments" means US dollars denominated:

- (a) direct obligations issued by, and/or unconditionally guaranteed by and backed by the full faith and credit of, the government of the United States, in each case maturing within one year from the date of acquisition, so long as the indebtedness of United States is rated at least A by Standard & Poor's or A2 by Moody's Investors Services, Inc. or carries an equivalent rating from Dominion Bond Rating Service Limited;
- (b) certificates of deposit, bankers' acceptances or term deposits (having original maturities of no more than 90 days), issued and/or guaranteed by and/or placed with, any bank, including Affiliates or related parties of the Escrow Agent, or trust companies, chartered or licensed under the laws of Canada or any province thereunder, provided that at the time of the investment or contractual commitment to invest therein, the short term debt rating of such bank or trust company, shall be not less than A as rated by Standard & Poor's or its equivalent by DBRS; or
- (c) any combination of the above.

In the event that the Escrow Agent does not receive a direction or only a partial direction, the Escrow Agent may hold cash balances constituting part or all of the Escrowed Funds and may, but need not, invest same in its deposit department, the deposit department of an Affiliate or the deposit department of a Canadian Chartered Bank, provided that such investments and the issuing bank satisfy the requirements of this section; but the Escrow Agent, its Affiliates or a Canadian Chartered Bank shall not be liable to account for any profit to any Parties or to any other person or entity other than at a rate, if any, established from time to time by the Escrow Agent or one of its Affiliates. For the purpose of this Section, "Affiliate" means affiliated companies within the meaning of the Canada Business Corporations Act ("CBCA"); and includes Bank of Montreal and each of its affiliates within the meaning of the CBCA.

3.2 Reinvestment

Upon maturity of an Authorized Investment, the Escrow Agent shall reinvest the Escrowed Funds and any interest thereon as jointly directed in writing by the Parties.

In the event that the Escrow Agent does not receive a direction or only a partial direction, the Escrow Agent may hold cash balances constituting part or all of the Escrowed Funds and may, but need not, invest same in its deposit department, the deposit department of an Affiliate or the deposit department of a Canadian Chartered Bank, provided that such investments and the issuing bank satisfy the requirements of Section 3.1 above; but the Escrow Agent, its Affiliates or a Canadian Chartered Bank shall not be liable to account for any profit to any Parties or to any other person or entity other than at a rate, if any, established from time to time by the Escrow Agent or one of its Affiliates. For the purpose of this Section, "Affiliate" means affiliated companies within the meaning of the *Canada Business Corporations Act* ("CBCA"); and includes Bank of Montreal and each of its affiliates within the meaning of the CBCA.

3.3 No Guaranteed Income

The Escrow Agent makes no representation as to income, profit, yield or return available or to be earned on the Escrowed Funds, or as to the certainty of return of principal of amounts invested in accordance with the terms hereof. For greater certainty, the Escrow Agent shall not be held liable for any failure to achieve the maximum possible desired yield or return on the Escrowed Funds or for loss of principal as a result of investments made in accordance with the terms of this Agreement.

3.4 Monthly Statements

The Escrow Agent shall provide the Parties a written monthly report indicating the balance and content (investment profile) of the escrow account.

ARTICLE 4 RELEASE OF ESCROWED FUNDS

4.1 Release of Escrowed Funds

The Escrow Agent shall disburse the Escrowed Funds or a portion thereof in accordance with and as soon as reasonably practicable following (and in no event any later than two Business Days thereafter), receipt of: (i) a written agreement executed by both Parties; (ii) a final non-appealable order of a court of competent jurisdiction directing delivery of the Escrowed Funds; or (iii) a final non-appealable arbitration decision directing delivery of the Escrowed Funds.

The Parties shall promptly negotiate and agree to a distribution of any portion of the Escrowed Funds no longer subject to a good faith dispute..

4.2 Escrow Agent not a Trustee

The Parties acknowledge that the Escrow Agent is acting solely as depositary at their request and for their convenience and, notwithstanding anything to the contrary herein contained, no term or provision of this Agreement is intended to create, nor shall any such term or provision be deemed to have created, any principal, agency, trust, joint venture or partnership relationship between or among the Escrow Agent and the Parties. The Escrow Agent is acting under this

Agreement as an independent contractor only and shall be considered an independent contractor with respect to the other party.

ARTICLE 5
COMPLIANCE WITH JUDICIAL PROCEEDINGS

5.1 Compliance with Judicial Proceedings

If any property held by the Escrow Agent hereunder shall be attached, garnished or levied upon under any order of a court, or the delivery thereof shall be stayed or enjoined by any order of a court, or any other order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, or any act of the Escrow Agent, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, and if the Escrow Agent obeys and complies with any such writ, order, judgment or decree, it shall not be liable to any of the other parties hereto, their successors or assigns or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order, judgment or decree is subsequently reversed, modified, annulled, set aside or vacated.

ARTICLE 6
DEALING WITH THE ESCROWED FUNDS ON DIRECTIONS

6.1 Dealing with the Escrowed Funds on Directions

Notwithstanding any other provisions of this Agreement, the Escrow Agent shall deal with the Escrowed Funds, or any part thereof, at any time in accordance with any directions jointly given in writing by the Parties to the Escrow Agent, in the form of Schedule B, subject to any statutory obligations to withhold amounts on account of tax. The Parties agree to determine and direct the Escrow Agent as to the applicability and quantum of any withholding tax that may be payable in connection with any release out of the Escrowed Funds. Absent such direction, the Escrow Agent shall be entitled to assume that no withholding tax is applicable to such release.

ARTICLE 7
TAXES

7.1 Taxes

For purposes of federal and other taxes based on income, each Party will be treated as the owners of that portion of the original Escrowed Funds and the earnings thereon which is equal to its respective proportional part of the original Escrowed Funds which each ultimately receives. The Parties are required to prepare and file any and all income or other tax returns applicable to the Escrowed Funds attributable to such Party in all years income is earned in any particular tax year on the Escrowed Funds.

Subject to the paragraph above, in the absence of distribution of the Escrowed Funds prior to the requirement to pay taxes on any interest, income, gains or accretions of the Escrowed Funds in any given year, such earnings shall be allocated to BLLP, and reported by the Escrow Agent, to

the extent required by applicable law, to the Canada Revenue Agency (“CRA”) and any other applicable Governmental Entity.

The Escrow Agent shall also deduct and withhold from any distribution of the Escrowed Funds that could be payable to Beumer, any taxes as it determines in its sole discretion may be required by any applicable law or regulation. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to Beumer, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the applicable Governmental Entity. For the purpose of this Section “**Governmental Entity**” means any domestic or foreign governmental, legislative, judicial, administrative or regulatory authority, agency, commission, body, court, association or entity.

ARTICLE 8

TERMINATION OF AGREEMENT

8.1 Termination of Agreement

This Agreement shall terminate and cease to be of any further force and effect when the Escrow Agent shall have released all of the Escrowed Funds and interest thereon in accordance with the terms and conditions of this Agreement. Upon termination, the Escrow Agent shall be released from all obligations under the Agreement arising on and after such date.

The obligations contained in Section 10.6 and ARTICLE 11 shall survive the termination of this Agreement and the resignation, replacement or removal of the Escrow Agent.

ARTICLE 9

RESIGNATION AND TERMINATION OF THE ESCROW AGENT

9.1 Resignation and Termination of Escrow Agent

The Escrow Agent may resign its position and be discharged from all further duties under this Agreement on 30 days’ notice to the Parties or such shorter notice as they may accept as sufficient. The Parties shall have the right at any time, on 30 days’ prior written notice to the Escrow Agent, acting jointly, to remove the Escrow Agent and to appoint a successor escrow agent. In the event of the resignation or removal of the Escrow Agent, the Parties shall forthwith appoint a successor escrow agent acceptable to them and shall give notice of such appointment to the Escrow Agent. Upon receipt of such notice, the Escrow Agent shall transfer and deliver to the successor escrow agent the Escrowed Funds and other material in the possession of the Escrow Agent relating to the administration of this Agreement which would be necessary or useful to the successor escrow agent. Any new escrow agent appointed under any provision of this section shall be a corporation authorized to carry on the business of an escrow agent in the Province of Québec or Ontario or a trust company licensed to carry on business as a trustee in the Province of Québec or Ontario and shall be subject to removal as aforesaid. On any appointment of a successor escrow agent, the successor escrow agent shall, upon receipt by the Escrow Agent of all fees and expenses properly owing to it pursuant to this Agreement, be vested with the same powers, rights, duties and responsibilities and shall be subject to removal as escrow agent

hereunder as if it had been originally named herein as the Escrow Agent without any further assurance, conveyance, act or deed. The appointment of a successor escrow agent hereunder shall not be effective until such successor escrow agent delivers to the Parties an agreement in writing pursuant to which such escrow agent agrees to assume the responsibilities of the original Escrow Agent under this Agreement and be bound by the terms and conditions of this Agreement as if it was originally named herein as the Escrow Agent. Should the Parties fail to appoint a new escrow agent as outlined above, then the retiring Escrow Agent shall cease its functions at the expiration of the period of notice and may retain all and any property in its possession hereunder on a merely safekeeping basis, at a fee to be determined by the Escrow Agent, acting reasonably.

ARTICLE 10

DUTIES AND LIABILITIES OF THE ESCROW AGENT

10.1 Duties Limited

The Escrow Agent shall have no duties or responsibilities other than those expressly set forth in this Agreement, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall have no obligations, responsibilities or liability arising under any other agreement to which the Escrow Agent is not a party, even though reference to such other agreement may be made in this Agreement. The Escrow Agent shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, other than as a result of its own negligence, bad faith, fraud or wilful misconduct. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions with respect to the Escrowed Funds which, in its sole determination, are in conflict with any provision of this Agreement, it shall be entitled to hold the Escrowed Funds, or a portion thereof, pending the resolution of such uncertainty to the Escrow Agent's sole satisfaction.

10.2 Employment of Agents

The Escrow Agent may employ such counsel and advisers as it may reasonably require (at the expense of the Parties) for the purpose of determining and discharging its duties under this Agreement and the Escrow Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any such counsel or adviser in relation to any matter arising in the administration of this Agreement.

10.3 Reliance on Documents

Any notice direction, consent, designation or other instrument to be given by the Parties pursuant to this Agreement shall be sufficient if given by one officer or director of each of the Parties. The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, statutory declaration or other paper or document furnished to it, not only as to its due execution and the validity and the effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained that it in good faith believes to be genuine and what it purports to be. The Escrow Agent shall have no responsibility to inquire

into the genuineness or validity of any documents delivered to it and reasonably believed by it to have been signed by the proper person or persons and shall be entitled to rely thereon and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof. Each of the Parties shall furnish the Escrow Agent with a certificate of incumbency setting forth its authorized signatories for the purposes of this Agreement and their specimen signatures. Each the Parties may update their certificates of incumbency from time to time, provided that the Escrow Agent shall be entitled to rely upon the last certificate of incumbency for each party provided to the Escrow Agent.

10.4 No Representations and Warranties

Except with respect to the Escrow Agent's obligation to ensure that this Agreement has been duly authorized, executed and delivered by, and is enforceable in accordance with its terms against the Escrow Agent, the Escrow Agent shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value or genuineness of this Agreement or any items deposited with the Escrow Agent hereunder.

10.5 Legal Proceedings

Except in the event that the Escrow Agent is a named party to the legal proceedings, the Escrow Agent shall not be required to exercise any remedies or institute or defend legal proceedings of any kind hereunder until fully funded and indemnified as to all costs and expenses, including reasonable attorneys' fees.

Notwithstanding any provision in this Agreement, the Escrow Agent may, in its sole discretion, seek an interpleader order to deposit the Escrowed Funds and interest earned thereon into court and upon such deposit, the Escrow Agent will be relieved and discharged from any and all obligations and liabilities hereunder.

10.6 Indemnification of the Escrow Agent

- (a) The Parties shall indemnify and hold harmless the Escrow Agent and its officers, directors, shareholders, employees and agents ("**Escrow Agent Indemnified Parties**") from and against, any and all losses, liabilities, claims, actions, taxes, costs, demands, damages and expenses, including reasonable attorneys' fees and disbursements, incurred or sustained by the Escrow Agent in respect of any matter or thing done by it under, pursuant to, or in connection with this Agreement or otherwise arising in connection with its office of Escrow Agent hereunder, including the legal costs and expenses of defending itself against any claim or liability in connection with its performance hereunder, except in so far as the same arose through (a) the bad faith, fraud, gross negligence or willful misconduct of an Escrow Agent Indemnified Party; or (b) the intentional breach by any Escrow Agent Indemnified Party of this Agreement. Without limiting the foregoing, the Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder in good faith, in accordance with the terms hereof, or as a result of any liquidation of any such investment prior to its maturity, including any liability for any delays (not

resulting from its gross negligence or wilful misconduct) in the investment or reinvestment of the Escrowed Funds, or any loss of interest incidental to any such delays or for the failure of the parties hereto to give the Escrow Agent any instructions to invest or reinvest the Escrowed Funds or interest thereon.

- (b) Except in the event of circumstances as provided for in paragraph 10.6 (a), the Escrow Agent shall not be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. This indemnity shall survive the termination or discharge of this Agreement or the resignation of the Escrow Agent.

10.7 Decision to Act or Not to Act

The Escrow Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear documentation which complies with the terms of this Agreement. Such documentation must not require the exercise of any discretion or independent judgment. The Escrow Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Escrow Agent, in its sole reasonable judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Escrow Agent, in its sole reasonable judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Parties, provided (i) that the Escrow Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Escrow Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

10.8 Declaration Re: Third Party Interest

Each of the Parties hereby represent to the Escrow Agent that any account to be opened by, or interest to be held by the Escrow Agent in connection with this Agreement, for or to the credit of such party is not intended to be used by or on behalf of any third party.

10.9 Liabilities

In the event that any action is threatened or instituted against the Escrow Agent, it may seek an interpleader order to deposit the Escrow Fund into court and upon such deposit the Escrow Agent shall be relieved of and discharged from any and all obligations and liabilities hereunder.

ARTICLE 11
FEES AND EXPENSES

11.1 Fees and Expenses

- (a) The Parties will share and pay the Escrow Agent's fees and expenses in reverse proportion to the portion of the Escrowed Fund each party receives including all applicable taxes (the "**Escrow Agent Fee**"), for its services under this Agreement in accordance with the fee schedule attached as Schedule C to this Agreement. In addition, the Escrow Agent is entitled to the reimbursement of out-of-pocket expenses, including legal and accounting fees, costs and disbursements, and all other charges and out-of-pocket expenses. This fee schedule is confidential and proprietary to BMO Trust Company. It may only be used for furthering the transaction for which it is submitted and may not be disclosed to Persons who are not parties to such transaction without BMO Trust Company's explicit written consent.
- (b) The Escrow Agent may invoice the annual Escrow Agent Fee any time before the anniversary date of the Escrow Agreement and upon termination of the Escrow Agreement. In the event that the Escrow Agent performs services for less than a full billing period, it shall be entitled to fees for the period during which it performed such services calculated on the basis of the fee schedule attached as Schedule C to this Agreement pro rated for the number of days during which it performed such services. In the event that the Escrow Agent at its sole discretion does not deduct interest from the Escrowed Funds in accordance with 11.1(c), then any amount due under this Agreement and unpaid thirty (30) days after request for such payment will bear interest from the expiration of such thirty (30) days at a rate per annum equal to the then current rate charged by the Escrow Agent from time to time, payable on demand.
- (c) The Escrow Agent shall deduct from the Escrowed Funds and interest thereon, any amounts payable to the Escrow Agent under this Agreement, including the Escrow Agent Fees. The Parties shall readjust amongst themselves payment of the Escrow Agent Fees in accordance with Section 11.1 (a) at the time the Escrowed Funds are fully released.
- (d) Without limiting any right to indemnification or reimbursement for damages, third party costs or expenses incurred by the Escrow Agent, if there is a claim against the Escrowed Funds and/or interest thereon, the Escrow Agent will be entitled to an hourly fee at its then current hourly rate, plus applicable Federal/Provincial taxes, for work carried out by the Escrow Agent in relation to such claim.

ARTICLE 12
GENERAL

12.1 Notices

- (a) Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any Party or the Escrow Agent hereto shall be in writing and shall be sufficiently given or sent or delivered if it is:
- (i) delivered personally to such party or to an officer or director of such party;
 - (ii) sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Canada; or
 - (iii) sent by facsimile.
 - (iv) sent by email
- (b) Notices shall be sent to the following addresses, emails, or facsimile numbers:
- (i) in the case of BLLP, to:

1155 University Street
Suite 508
Montreal, Quebec
H3B 3A7

Attention: Assistant Secretary and Senior Legal Counsel
Facsimile: 514-393-9041
Email: annie.torkialagace@cliffsnr.com
 - (ii) in the case of Beumer:

Beumer Kansas City LLC
4435 Main Street, Suite 600
Kansas City, MO 64111

Attention: F.J. Warmoth, President, Beumer Kansas City LLC
Email: frank.warmoth@beumergroup.com
cc: james@warmothlaw.com

(iii) in the case of the Escrow Agent:

BMO Trust Company
1250, René-Lévesque Blvd. West, suite 4600
Montréal, Qc
H3B 4W8

Attention: Vice-President, Trust Services
Facsimile: 514-286-7226

or to such other address or facsimile number as the party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this Section, have communicated to the party giving or sending or delivering such notice, designation, communication, request, demand or other document.

- (c) Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:
- (i) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
 - (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service; and
 - (iii) if sent by facsimile, be deemed to have been given, sent, delivered and received on the date the sender receives the confirmation of transmission.

12.2 Counterparts

This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf"), shall be equally effective as delivery of a manually executed counterpart hereof. The Parties hereto acknowledge and agree that in any legal proceedings between them respecting or in any way relating to this Agreement, each

waives the right to raise any defence based on the execution hereof in counterparts or the delivery of such executed counterparts by electronic means.

12.3 Waiver

The failure or delay by a Party or the Escrow Agent in enforcing or insisting upon strict performance of any of the provisions of this Agreement shall not be considered to be a waiver of such provision or in any way affect the validity of this Agreement or deprive a such party of the right, at any time or from time to time, to enforce or insist upon strict performance of that provision or any other provision of this Agreement.

12.4 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and the Escrow Agent and their respective successors and assigns. Nothing herein, express or implied, is intended to confer upon any Person, other than the Parties and the Escrow Agent and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

12.5 Amendments

No modification or amendment to this Agreement may be made unless agreed to by the Parties and the Escrow Agent in writing.

12.6 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect such determination shall not impair or affect the validity, legality or unenforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

12.7 Disputes

In the event of any disagreement regarding the terms of this Agreement, the Escrow Agent shall be entitled, at its option, to refuse to comply with any and all demands pursuant to this Agreement whatsoever until the dispute is settled by agreement amongst the Parties.

12.8 Governing Law

This Agreement shall be governed by the laws of the Province of Quebec and the laws of Canada applicable therein. This Agreement shall not void or modify the choice of law, venue, or other terms of the Purchase Agreements.

12.9 Language of the Agreement

The Parties and the Escrow Agent have specifically requested and agreed that this Agreement be drafted in the English Language. *Les parties et l'agent d'écrou ont spécifiquement demandé que cette entente soit rédigée dans la langue anglaise.*

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

The Bloom Lake Iron Ore Mine Limited Partnership, by its general partner Bloom Lake General Partner Limited

Per: James D. Graham
James D. Graham, General Counsel-Secretary

Per: Paul T. Lujan
ASSISTANT SECRETARY

Beumer Corporation

Per: _____

Per: _____

BMO Trust Company

Per: _____

Per: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

The Bloom Lake Iron Ore Mine Limited Partnership, by its general partner Bloom Lake General Partner Limited

Per: James D. Graham
James D. Graham; General Counsel-Secretary

Per: [Signature]
ASSISTANT SECRETARY

Beumer Corporation

Per: [Signature]
TONY BARR, CHIEF MARKETING OFFICER

Per: [Signature]
RAYMOND HAZEN, CHIEF OPERATING OFFICER

BMO Trust Company

Per: _____

Per: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

The Bloom Lake Iron Ore Mine Limited Partnership, by its general partner Bloom Lake General Partner Limited

Per: James D. Graham
James D. Graham; General Counsel-Secretary

Per: [Signature]
ASSISTANT SECRETARY

Beumer Corporation

Per: _____

Per: _____

BMO Trust Company

Per: [Signature] Joel Carrier, VP Trust & Estate
Per: [Signature] Michael Murphy, VP Sales

**SCHEDULE A
ESCROW RELEASE NOTICE**

To: BMO Trust Company

Re: Escrow Agreement among The Bloom Lake Iron Ore Mine Limited Partnership, Beumer Corporation (the "Parties") and BMO Trust Company (the "Escrow Agent") (the "Agreement")

[The Parties hereby authorize and direct you forthwith upon receipt of this notice, to release [\$_____] of the Escrowed Funds.]

OR

[the Escrowed Funds, together with any interest earned and paid on such amount to the date of payment being the sum of \$_____, [less fees in the sum of \$_____ payable to the Escrow Agent]. *[Note to Draft: Include if applicable]* thereon as follows:

[Note to Draft: insert direction]

The foregoing direction is irrevocable and shall constitute your good and sufficient authority for making such payments as directed above.

All capitalized terms undefined herein have the meanings given to them in the Agreement.

DATED this ____ day of _____, 20__.

**The Bloom Lake Iron Ore Mine Limited
Partnership, by its manager Cliffs Quebec
Iron Mining Limited**

Per: _____

Per: _____

Beumer Corporation

Per: _____

Per: _____

**SCHEDULE B
WRITTEN DIRECTION**

To: BMO Trust Company

**Re: Escrow Agreement among The Bloom Lake Iron Ore Mine Limited Partnership,
Beumer Corporation (the "Parties") and BMO Trust Company (the "Escrow
Agent") (the "Agreement")**

The Parties hereby irrevocably authorize and direct you, in accordance with Section [•] to invest \$_____ of the Escrowed Funds, together with any interest earned and paid on such amount to the date of payment being the sum of \$_____, less fees in the sum of \$_____ payable to the Escrow Agent thereon as follows:

[Note to Draft: insert investment direction]

The foregoing direction is irrevocable and shall constitute your good and sufficient authority for making such investments as directed above.

All capitalized terms undefined herein have the meanings given to them in the Agreement.

DATED this ____ day of _____, 20__.

**The Bloom Lake Iron Ore Mine Limited
Partnership, by its manager Cliffs Quebec
Iron Mining Limited**

Per: _____

Per: _____

Beumer Corporation

Per: _____

Per: _____

SCHEDULE C

ESCROW AGENT FEES

Escrow Fees

Fixed per annum fee calculated as follows: (plus applicable Federal/Provincial taxes)

The parties agree that the compensation which shall be paid to BMO Trust Company for its services performed in the capacity as Escrow Agent:

Annual Administration Fee

The Escrow Agent shall receive a fee for its services hereunder, payable by the parties Representative in the amount of \$15,000.00 (plus applicable taxes) for the first year of the Agreement payable on the date hereof and \$10,000 (plus applicable taxes) for each year thereafter payable on each anniversary of the date hereof.

Out-of-Pocket Expenses

BMO Trust Company will, in addition to compensation for its services, be reimbursed by the Parties for all legal and accounting fees, costs and disbursements, and all other charges and out-of-pocket expenses including without limitation stock or bond settlement charges and income tax preparation fees incurred in the establishment, management, administration, settlement, distribution, tax reporting and termination of the Agency account, in each case incurred after the date hereof. Wire transfers out from the Escrow account will be subject to the prevailing wire transfer charges applicable at the time of transfer

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

N° : 500-11-048114-157
Plumitif #222

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 QUEBEC IRON
MINING ULC, WABUSH IRON CO. LIMITED
AND WABUSH RESOURCES INC.

Debtors / Petitioners

and

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

Mises-en-cause

and

FTI CONSULTING CANADA INC.

Monitor

and

BMO TRUST COMPANY
-and-
BEUMER CORPORATION

Respondents

**WRITTEN CONTESTATION OF THE RESPONDENT BEUMER CORPORATION
(AMENDED MOTION TO OBTAIN THE RELEASE OF ESCROWED FUNDS)**

I. SUMMARY

1. The Petitioners' *Amended Motion to Obtain the Release of Escrowed Funds* (the "Motion") asserts that the escrowed funds (the "Escrowed Funds") are an asset of

Bloom Lake Iron Ore Mine Limited Partnership (“**Bloom Lake LP**”) and that Beumer Corporation’s (“**Beumer**”) claim on the escrowed funds is an unliquidated contingent claim for contractual damages.

2. This is not correct. Beumer’s claim, as set forth in the First Amended Complaint attached as Exhibit R-5 to the Motion, is a claim for the escrowed funds on grounds that such funds consist of payments earned by Beumer.
3. As more fully detailed herein, the funds in escrow have been earned by Beumer pursuant to the Contracts (as defined hereinafter).
4. Indeed, Beumer fully earned both the final five percent (5%) payment specified in the Contracts and the aggregate ten percent (10%) withholding amount specified in the Contracts on or before June 30, 2013, when all payments to Beumer were due by the express terms of the Contracts.
5. The payments were therefore earned prior to the January 27, 2015 order granting Bloom Lake LP protection under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).
6. The Motion should be dismissed on the following grounds:
 - a) the Escrowed Funds are not in the patrimony of Bloom Lake LP;
 - b) alternatively, Bloom Lake LP and Beumer are undivided co-owners of the Escrowed Funds;
 - c) alternatively, the Escrowed Funds have been pledged by Bloom Lake LP in favour of Beumer to guarantee repayment of the amounts owed pursuant to the Contracts.

II. FACTUAL BACKGROUND

7. The obligation to establish an escrow agreement stems from two contracts entered into between Beumer and Bloom Lake LP for certain construction related services and supplies, namely:
 - a) a contract dated on or about October 1, 2011 for an amount of \$29,472,985 pursuant to which Beumer was to design and supply an overland conveyor (the “**OLC**”), including an associated sacrificial conveyor (the “**OLC Contract**”) to a project known as the Bloom Lake Iron/Ore Mine Expansion-Phase II located in Quebec, Canada (the “**Project**”), the whole as appears from the true copy of the OLC Contract, attached hereto as **Exhibit C-1**; and
 - b) a contract dated on or about October 1, 2011 for an amount of \$14,188,077 pursuant to which Beumer was to design and supply an ore storage structure (the “**OSS**”), including an associated tripper conveyor (the “**OSS Contract**”) for the Project, the whole as it appears from the true copy of the OSS Contract, attached hereto as **Exhibit C-2**.

(the OSS Contract and the OLC Contract were performed and administered in parallel as part of the Project and are collectively referred to as the “Contracts”)

8. Beumer’s obligations under the Contracts were to (1) deliver the equipment included in the scope of work and (2) provide the labor services included in the scope of work.
9. Throughout the duration of the Contracts, Beumer invoiced Bloom Lake LP for its work in accordance with the payment schedule in the Contracts and Bloom Lake LP paid the invoices in recognition of Beumer’s performance.
10. Indeed, Beumer has fully performed its obligations under the Contracts and has therefore earned payment of the Escrowed Funds.
11. The Contracts, particularly Exhibits C thereto, contain the following payment terms:
 - a) 10% down payment;
 - b) 5% with submitted engineering documents (conveyor route drawings and NTE loads information);
 - c) 25% against purchase and procurement commencement;
 - d) 50% through delivery phase (Monthly invoicing);
 - e) 5% at equipment start up, payment date not to exceed Dec 31st 2012;
 - f) 5% Acceptance test passed, payment date not to exceed April 30th 2013;
 - g) 10% of each invoice will be retained.
12. Exhibit C also provides the following with respect to the 10% amount Bloom Lake LP was entitled to retain from each invoice:

Retained amount will be placed in interest bearing joint escrow account with dual signatory rights. Upon successful Acceptance test and operation of the plant or by June 30th 2013, whichever is sooner retained amount will be released. Interest amount will be split evenly between supplier and owner.
13. Beumer and Bloom Lake LP had therefore agreed to a 10% retention from each invoice and placement of such retained funds in an escrow account in recognition that at the time of payment, Beumer earned the full payment including the retained amount.
14. The Parties agreed to the “not to exceed” payment dates in recognition that Beumer would be entitled to payment within a reasonable time after delivering its equipment and that Beumer would have no control over potential delays to the installation and start-up milestones that would otherwise trigger Bloom Lake LP’s remaining payment obligations.

15. Both the “final 5% payment” and the “10% retained amount” were therefore earned by Beumer at the latest by June 30, 2013.

III. ESCROW FORMATION

16. As mentioned above, pursuant to Exhibit C of the Contracts, Bloom Lake LP was required to establish and pay the retained amounts in an “interest bearing joint escrow account with dual signatory rights.”
17. As of January 30, 2013, Bloom Lake LP had still not established the escrow account required by the Contracts.
18. In the following months, Beumer repeatedly requested that the escrow account be established and funded. In a meeting on May 8, 2013, Frank Warmoth of Beumer expressed to Annie Torkia Lagacé, Senior Legal Counsel for Bloom Lake, that Beumer was concerned about Bloom Lake’s solvency and was in a less secure position because Bloom Lake had not established the escrow account.
19. In June of 2013, Bloom Lake LP submitted a claim seeking purported damages resulting from various incidents in relation to Beumer’s performance of its obligations under the Contracts. The claim made by Bloom Lake LP is unfounded and frivolous and is designed purely to delay the rightful payment of amount currently owing to Beumer, while Bloom Lake LP was already suffering severe financial distress.
20. Notwithstanding the existence of Bloom Lake LP’s entirely unfounded claim, on June 28, 2013, the Parties finally entered into the Escrow Agreement (the “**Escrow Agreement**”) (R-6) pursuant to which Bloom Lake LP was required to transfer \$6,330,854.00 (the “**Escrowed Funds**”) in an escrow account to be distributed in accordance with Section 4.1 of the Escrow Agreement.
21. Section 2.3 of the Escrow Agreement clearly identifies the payments earned under the Contracts as the source of the Escrowed Funds:

2.3 Basis and Effect of the Escrowed Funds.

The Parties intend for the Initial Escrowed Funds to represent the final five percent (5%) payment specified in the Purchase Agreements [or “Contracts”], equal to the amount of \$1,964,748, less 10% withholding on such amount, plus the aggregate ten percent (10%) withholding amount specified in the Purchase Agreements [or “Contracts”], equal to the amount of \$4,366,106.

22. On or about July 5, 2013, Bloom Lake LP paid both the final 5% amount and the retained amounts into the escrow account. Such amounts were earned by Beumer at the time Bloom Lake LP paid each prior invoice, and Bloom Lake LP was obligated by the express terms of the Contracts to release the funds to Beumer no later than April 30, 2013 in the case of the final 5% and June 30, 2013 in the case of the retained amounts.

IV. GROUNDS OF CONTESTATION

(1) THE ESCROWED FUNDS DO NOT FORM PART OF THE PATRIMONY OF BLOOM LAKE LP

23. At paragraph 25 of the Motion, it is alleged that “the Escrowed Funds (...) are an asset of Bloom Lake LP and form part of its patrimony”.

24. This allegation is unfounded both in fact and in law.

25. Beumer’s principal ground of contestation is that the Escrowed Funds do not form part of the patrimony of Bloom Lake LP.

26. As explained hereinabove, Beumer fully earned both the final 5% percent payment specified in the Contracts on or before April 30, 2013 and the aggregate 10% withholding amount specified in the Contracts on or before June 30, 2013.

27. Such amounts were earned and paid into the escrow account well before Bloom Lake LP was granted CCAA protection pursuant to the Initial Order (R-1) granted by the Honourable Justice Stephen Hamilton on January 27, 2015.

28. Indeed, upon transferring the funds in the escrow account, Bloom Lake LP relinquished both effective and legal control over the Escrowed Funds in accordance with the Escrow Agreement.

29. The fact that Bloom Lake LP has been granted protection under the CCAA is irrelevant and cannot provide Bloom Lake LP with more rights than it had prior to the granting of such protection. Indeed, the Escrow Agreement does not provide Bloom Lake LP any right of control over the Escrowed Funds.

- *Entreprises Bigknowledge inc. (Syndic de), 2008 QCCA 1613.*

30. The Escrowed Funds “étant sorties définitivement du patrimoine” of Bloom Lake LP prior to the issuance of the Initial Order, such funds are not part Bloom Lake LP’s patrimony.

- *Entreprises Bigknowledge inc. (Syndic de), 2008 QCCA 1613.*

(2) ALTERNATIVELY, BLOOM LAKE LP AND BEUMER RETAIN JOINT CO-OWNERSHIP OF THE ESCROWED FUNDS

31. Alternatively, Bloom Lake LP and Beumer are undivided co-owners of the Escrowed Funds.

32. Section 7.1 of the Escrow Agreement specifically provides that “each Party will be treated as the owners of that portion of the original Escrowed Funds and the earnings thereon which is equal to its respective proportional part of the original Escrowed Funds which each ultimately receives”.

33. Indeed, Bloom Lake LP and Beumer exercise equal rights over, assume equal obligations on, and derive equal benefits from the Escrowed Funds:

3.1 Investment

Upon receipt by the Escrow Agent of a joint written direction from the Parties, in the form attached as Schedule A, the Escrow Agent shall invest the Escrowed Funds in Authorized Investments (defined below) in its name in accordance with such direction. Any direction from the Parties to the Escrow Agent shall be in writing and shall be provided to the Escrow Agent no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. [...]

34. Beumer and Bloom Lake LP are therefore joint-owners of the Escrowed Funds and the proportional share of each in the Escrowed Funds shall be determined following the resolution of the dispute between the Parties.
- (3) ALTERNATIVELY, THE ESCROWED FUNDS HAVE BEEN PLEDGED IN FAVOUR OF BEUMER
35. Alternatively, should this Court conclude that Bloom Lake LP and Beumer are not co-owners of the Escrowed Funds, the Escrowed Funds have been pledged in favour of Beumer to guarantee payment of the amounts owed:

2.3 Basis and Effect of the Escrowed Funds.

The Parties intend for the Initial Escrowed Funds to represent the final five percent (5%) payment specified in the Purchase Agreements, less 10% withholding on such amount, which equals to the amount of \$1,964 748, plus the aggregate ten percent (10%) withholding amount specified in the Purchase Agreements, equal to the amount of \$4,366,106. Nothing herein constitutes a representation, admission, or denial regarding the proper interpretation of the Purchase Agreements or existence or extent of liability under the Purchase Agreements or any modifications thereto. [Emphasis added.]

36. By transferring the Escrowed Funds to the Escrow Agent, Bloom Lake LP effectively pledged such funds to Beumer, which is consistent with the Parties' intent; namely, that the Escrowed Funds will guarantee the execution of the obligations of Bloom Lake LP pursuant to the Contracts.
37. It follows that Beumer is a secured creditor of Bloom Lake LP, as it holds a movable hypothec over the Escrowed Funds.

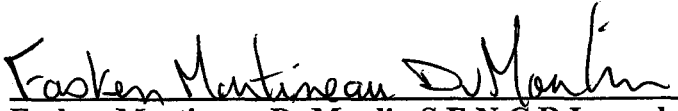
FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

DISMISS the Motion to Obtain the Release of Escrowed Funds;

ORDER BMO Trust Company to release the Escrowed Funds in favour of Beumer Corporation;

THE WHOLE with costs.

Montreal, this 17th day of December 2015


Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l.
Attorneys for Beumer Corporation

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

N° : 500-11-048114-157
Plumitif #222

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 QUEBEC IRON
MINING ULC, WABUSH IRON CO. LIMITED
AND WABUSH RESOURCES INC.

Debtors / Petitioners

and

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

Mises-en-cause

and

FTI CONSULTING CANADA INC.

Monitor

and

BMO TRUST COMPANY
-and-
BEUMER CORPORATION

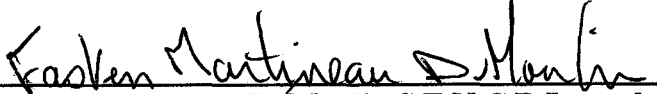
Respondents

LIST OF EXHIBITS

EXHIBIT C-1: Overland Conveyor Contract dated on or about October 1, 2011;

EXHIBIT C-2: Ore Storage Structure Contract dated on or about October 1, 2011.

Montreal, this 17th day of December 2015


Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l.
Attorneys for Beumer Corporation

N° : 500-11-048114-157

PROVINCE OF QUÉBEC
SUPERIOR COURT (Commercial Division)
DISTRICT OF MONTREAL

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

BLOOM LAKE GENERAL PARTNER LIMITED ET AL.,
Debtors / Petitioners

and

THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP ET AL.,
Mises-en-cause

and

FTI CONSULTING CANADA INC.
Monitor

and

BMO TRUST COMPANY

-and-

BEUMER CORPORATION
Respondents

17236/294442.00001

BF1339

**WRITTEN CONTESTATION OF THE
RESPONDENTS BEUMER CORPORATION
(AMENDED MOTION TO OBTAIN THE
RELEASE OF ESCROWED FUNDS), LIST OF
EXHIBITS AND EXHIBITS C-1 AND C-2**

ORIGINAL

Fasken Martineau DuMoulin LLP

Stock Exchange Tower
Suite 3700, P.O. Box 242
800 Place Victoria
Montréal, Quebec
H4Z 1E9

Brandon Farber

Tel. +1 514 397 5179
Fax. +1 514 397 7600

Exhibit C-1

THIS AGREEMENT is made effective as of the ...1.... day of Oct, 2011, between The Bloom Lake Iron Ore Mine Limited Partnership, by and through its General Partner, Bloom Lake General Partner Limited ("Buyer") and Beumer Corporation ("Seller").

Intending to be legally bound, the parties agree as follows:

1. SALE OF EQUIPMENT

Buyer agrees to purchase from Seller, an overland conveyor and an upstream sacrificial conveyor (the "Systems," each individually described in the **Scope of Work**, attached as **Exhibit A**). Buyer agrees to purchase the Systems from Seller on the terms and conditions set forth herein as well as the terms and conditions set forth in the **Standard Terms and Conditions – Purchasing of Equipment**, attached as **Exhibit B**, which is incorporated herein by reference.

2. PURCHASE PRICE

The total purchase price (the "Purchase Price") for the Systems is as itemized on **Exhibit C**, is exclusive of freight duties, applicable sales/use taxes, interest and exchange rate rollover costs, and similar fees or charges, and will be payable in accordance with the payment schedule detailed on **Exhibit C**.

3. DELIVERY SCHEDULE

Seller will deliver the Systems to the agreed-upon location (the "Mine") in accordance with the delivery schedule on **Exhibit C**.

4. INITIAL SPARE PARTS (Commissioning Spares)

Seller agrees to sell to Buyer the initial spare parts, as itemized on **Exhibit D**, at a price of \$33,604. This price is in addition to the Purchase Price for the Systems. The initial spare parts will be delivered with the first System.

5. CRITICAL SPARES

Seller will take all reasonable steps ensure that critical components are available for warranty replacement or non-warranty replacement (as applicable) in a timely fashion. Seller and Buyer will jointly develop a list of such critical components.

6. FUTURE SPARE PARTS AND REBUILDS

Seller and Buyer will mutually agree on pricing for rebuilds and spare parts at time of Systems start up. Pricing during the initial year of operation of the first System will not exceed pricing agreed at Systems start up for the same items (or similar items in the case of updated or redesigned parts) being purchased as of the date of this Agreement.

7. PAYMENT TERMS

Payment terms for spare parts, service/exchange components, and other goods and services will be 2% 10 Net 45. The 2% discount will not apply to invoices issued during any period when Buyer's account is not current. Buyer's account is considered current when there are no

PURCHASE AGREEMENT

outstanding overdue (i.e. unpaid for greater than 45 days) payments. Disputed charges will not be considered overdue but will not be eligible for the 2% discount.

8. REPORTING

Seller and Buyer will meet quarterly until Systems start up to discuss any issues relating to the Systems. During all project stages, including engineering and manufacturing, Seller will provide Buyer with monthly progress reports.

9. CANCELLATION AND TERMINATION

- 9.1 If Buyer cancels all or part of its order for the Systems for any reason, (including paragraph 9.3 below), Buyer will pay and/or reimburse Seller for its actual costs and expenses reasonably incurred in connection with processing the cancelled Systems through the effective date of cancellation (per the notice requirements below). Buyer shall not be responsible for any additional damages, including consequential damages, which may arise from the cancellation. All cancellations must be made on at least 30 days prior written notice to Seller. All amounts owing to Seller for cancellation by Buyer are due within 45 days of the date of Seller' invoice.
- 9.2 Seller shall provide detailed invoices, bills of lading, purchase orders and/or other forms of independent written proof reasonably satisfactory to Buyer as verification of the actual costs and expenses reasonably incurred as a result of Buyer's cancellation.
- 9.3 Buyer, in addition to Buyer's other rights and remedies, reserves the right to terminate the Agreement or any applicable Service Request immediately, without further payment obligations if, in the discretion of Buyer, Seller has failed to enforce or comply with applicable safety, health, environmental or other laws, regulations, policies, requirements, or rules

10. DRAWINGS AND PROTOTYPE INSPECTION

Seller agrees to use reasonable commercial efforts to deliver to Buyer no later than 30 June, 2012, engineering arrangement drawings and erection information for the Systems. Buyer agrees to provide Seller with written approval of all drawings submitted by Seller within 10 business days of their submission (or re-submission in the event Buyer notifies Seller in writing within an earlier approval period that any drawings are not approved.)

11. TRAINING AND SERVICE

- 11.1 Seller will provide training for Buyer's qualified technicians concerning the proper operation and maintenance of the Systems as set forth in Exhibit E attached hereto and incorporated herein by reference.
- 11.2 Seller will provide Service in connection with the installation supervision, start-up and initial period of operation of the Systems, as set forth in Exhibit E attached hereto and incorporated herein by reference.

PURCHASE AGREEMENT

12. COMPLIANCE WITH APPLICABLE LAWS AND COMPANY RULES

Seller shall comply with: (i) Buyer safety rules and other rules set forth on Exhibit F attached hereto or otherwise provided to Seller by Buyer and (ii) all applicable laws, rules, regulations, orders and/or permits in effect at the time Buyer provides a Service Request or the Services are performed, which, to the best of its knowledge, information, and belief, apply to the respective obligations of Seller pursuant to the Agreement.

Buyer shall pay for any reasonable charges from Seller for Services required on the part of Seller to comply with rules, laws or regulations (a) which become effective after the execution of the Agreement and (b) which could not have been reasonably anticipated in the quote for the Services.

13. NOTICES

All notices to the parties under this Agreement will be in writing, delivered in person or sent via facsimile, certified mail or an express mail carrier, and directed as follows:

TO Buyer:

Pascal Vallée
Directeur de Projet & Améliorations
The Bloom Lake Iron Ore Mine Limited Partnership
1115 Rue University, Suite 508
Montréal, Québec H3B 3A7
Canada
Tel. 514.895.5116
Fax. 514.393.9041

with copy to:

Cliffs Natural Resources Inc.
ATTN: North American Legal Department
1100 Superior Avenue, Suite 1500
Cleveland, Ohio 44114
Tel. 216.694.5700
Fax. 216.694.6741

TO Seller:

Brad Williams – Director of Projects
Beumer Kansas City
4435 Main St, Suite 750
Kansas City, MO 64111
Tel. 816.245.7249
Fax. 816.605.1693

PURCHASE AGREEMENT

Any such notices will be deemed received when placed in the U.S. Mail (certified mail) or to an express mail carrier, when personally delivered.

14. MISCELLANEOUS

- 14.1 Assignment. Neither this Agreement nor any right, interest or obligation hereunder may be assigned, pledged or otherwise transferred by any party, whether by operation of law or otherwise, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Refusal of Buyer to consent to any less than full Assignment of this agreement to another entity (for example, and not by way of limitation, if Seller were purchased or acquired by another company) shall not be considered as consent unreasonably withheld.
- 14.2 Waivers. The due performance or observance by the parties of their respective obligations hereunder will not be waived, and the rights and remedies of the parties hereunder will not be affected, by any course of dealing or performance or by any delay or failure of any party in exercising any such right or remedy. The due performance or observance by a party of any of its obligations hereunder may be waived only by a writing signed by the party against whom enforcement of such waiver is sought, and any such waiver will be effective only to the extent specifically set forth in such writing.
- 14.3 No Agency. Neither party is or will be an employee, agent, representative, joint venturer or partner of the other party, but each is and will remain an independent contractor. Without limiting the generality of the foregoing, the parties agree that Seller is an independent contractor in the performance of each and every part of this Agreement. Seller will have full and complete control as an independent contractor of its activities and operations, and those of any of its subcontractors under this Agreement. Seller's employees will be deemed for all purposes the employees of Seller and subject to Seller's sole and exclusive direction, supervision and control.
- 14.4 Agreement. The provisions of this Agreement (including all attached Exhibits and other referenced documents, which are incorporated by reference herein) are intended by the parties as the final expression of their agreement and are the complete and exclusive statement of the terms of their agreement superseding all previous or simultaneous communications whether oral or written. This Agreement cannot be modified or rescinded in any way except in a writing signed by the party against whom enforcement of such modification or rescission is being sought, nor will this Agreement be modified, rescinded or altered by any subsequent course of conduct or dealing between the parties. In case of a conflict between this Agreement and the terms of a purchase order from Buyer, the terms of this Agreement will control and prevail.
- 14.5 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.
- 14.6 Governing Law. Any disputes arising out of or in conjunction with this Agreement shall be adjudicated in the local, state or federal courts of Cleveland, Ohio and shall be interpreted in accordance with the laws of the State of Ohio and for all purposes will be governed by and construed and enforced in accordance with the laws of the State of Ohio.
- 14.7 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts, and by each of the parties on separate counterparts, each of which, when so


PURCHASE AGREEMENT

executed, will be deemed an original, but all of which will constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail will be equally as effective as delivery of a manually executed counterpart of this Agreement.

- 14.8 Successors and Assigns. This Agreement will be binding upon and will inure to the benefit of each of the parties and their respective heirs, successors and permitted assigns.
- 14.9 Software. For software components of the Systems, the terms "purchased" or "sold" as used herein mean "licensed" subject to the following: (i) Seller hereby grants to Buyer a perpetual, non-exclusive, fully paid-up world-wide license to use any and all software components of the Systems, and (ii) Buyer may install software on back-up or replacement hardware as long as the total number of software copies in use at any time does not exceed the number originally installed.


EXECUTED THIS DAY AND YEAR FIRST ABOVE WRITTEN.

The Bloom Lake Iron Ore Mine Limited Partnership
by its General Partner, Bloom Lake General Partner Limited



By: David B. Blake

Title: President

Beumer Corporation


By: Simon Shipp

Title: Vice President

PURCHASE AGREEMENT

Exhibit A – Purchased Equipment (Statement Of Work)

One (1) 72" BW (1830mm) Sacrificial Conveyor rated at 6,000 TPH complete with supports, dual walkways, skirtboard, idlers, vertical gravity take-up, hood covers, discharge chute and drive. Conveyor includes guarding, safety switches and provisions for mounting tramp metal detector, oversize rock detector and belt scale.

One (1) Transfer Structure to support the discharge chute and drive of the Sacrificial Conveyor. Transfer Structure is complete with grating, handrail and stair access.

One (1) 1600mm BW Overland Conveyor rated at 6,000 TPH complete with supports, skirtboard, idlers, winch take-up, hood covers and wind skirts, discharge chute and four (4) drives. Conveyor includes guarding and safety switches.

Overland conveyor zones are supported on 12m long frames complete with dual walkways and handrail. With the exception of walkthrough gallery truss sections, the elevated (On Leg) zones located between Stations 1+260 to 2+920 are supported on deck trusses with dual walkways and handrail. The elevated walkthrough gallery sections are located in zones between Stations 1+335 to 1+370, 1+980 to 2+025, 2+110 to 2+155, 2+365 to 2+410, 2+480 to 2+515, 2+680 to 2+740, and 2+925 to 3+460. These sections are supported in walkthrough galleries with dual walkways and handrail. Drip pans are included over roads and in front of garages and office area. Elevated zone over Lake Mazare Crossing Stations 0+440 to 0+500 is in an enclosed gallery with a checkered plate floor.

One (1) Transfer Structure to support the discharge chute of the Overland Conveyor and the tail and take-up of the Tripper Conveyor. Transfer Structure is complete with grating, handrail and stair access.

One (1) Labor Services as follows

Installation Support Day shift 12 hour working day 1 technician	28 weeks
Pre Start up Inspections 12 hour working day 1 technician	2 week
Dry start up 12 hour working day 1 technician	2 weeks
Material start up 12 hour working day 2 technicians	3 weeks
Operational support 24 hours	12 weeks
Operational support 12 hour working day 1 technician	30 weeks

Beumer supplies labor service only. Travel inside Canada, accommodation, food and local transport Will be supplied by Cliffs or billable at cost.

Beumer's scope of work does not include the items listed under Specification S05539C-P25601-45W-WPF-001 Section 2.2 Work Excluded, Transportation cost, motors over 200 HP and motor starters.

Structural Steel and mechanical fabrication shall be cleaned per SSPC-SP6 and painted with a two (2) coat paint system consisting of:

Primer – Sherwin Williams Macropoxy® HS High Solids Epoxy 3 – 4 mils dft

Finish – Sherwin Williams Hi-Solids Polyurethane 3 – 4 mils dft

PURCHASE AGREEMENT

Mechanical components will be supplied with manufacture's standard finish.

Controls

PLC software engineering for electrical control system for OLC

Control technology design approach and determination

Functional descriptions and operating narrative for complete control system

Kick off meeting and control design requirements appraisal

FAT at drive supplier

Integration testing for PLC prior to delivery

PLC software simulation testing

PLC software based on Schneider System Quantum with PLC Software Unity

3 weeks onsite additional commissioning time based on day shift 12 hour working days for start up (accommodation, meals and travel inside Canada paid by Cliffs)

Note: Approach to Preassembly

Beumer is planning to add execution of preassembly for the conveyor sections at the Cliffs proposed assembly shop (Fransi Construction) in Baie Comeau. The preassembly will be managed by Beumer and the approved steel fabricator to enable aggressive reductions in installation time to be achieved.

Beumer intends at this time to present an offer to preassemble the equipment and we are reviewing Cost + Options, see pricing table Exhibit C.

All freight associated with material and components to the job site or pre-assembly shop will be presented at a cost + rate to be decided to cover logistics management, overhead and profit. Freight and logistics from pre assembly to job site will be responsibility of Cliffs.

Beumer and Cliffs will jointly agree a change order or separate service order to cover preassembly, freight and logistics.

Shipping to jobsite or Pre Assembly site in Canada (See Note Above)

- Mechanical equipment will be prepared for shipment by the manufacturers per their standard packaging.
- Conveyor drives will be prepared for shipment with reducer, motor and couplings mounted to a common base plate.
- Pulleys will have pillow block bearing assembled.
- Belting will be packaged with open sided steel HexPak reels, with protective circumferential wrap and steel banding.
- Switches will be shipped loose for field installation or preassembly shop.
- Idlers for the Sacrificial Conveyor will be prepared for shipment on pallets with rolls installed. Overland Conveyor frames and rolls will be shipped separate, rolls shall be field assembled or preassembled at preassembly shop. Conveyor deck trusses will be shipped in 30 ft. – 40 ft. (9m – 12m) sections. Outriggers, walkways and handrail will be shipped loose for field assembly or preassembled at preassembly shop.

PURCHASE AGREEMENT

- Conveyor galleries will be shipped with welded side panels and field bolted cross members. Walkways and handrail will be shipped loose for field assembly.
- Bents and portions of bents less than 10'-0" (3m) wide shall be shop welded. Bents and portions of bents larger than 10'-0" (3m) wide will be designed for field bolting.
- Transfer Tower will be field bolted construction.
- Chutes and skirtboards will be shipped with liners installed.

Points of Shipment

Sacrificial Conveyor:

FCA Pella, IA, USA / FCA Wallaceburg, ON, Canada
Idlers, Pulleys

FCA Marysville, OH, USA
Belting

FCA Elgin, IL, USA
Hood Covers

FCA Lyman, SC, USA
Drive Units

FCA Pickneyville, IL, USA
Walkway Grating

FCA Neponset, IL, USA
Belt Cleaners

FCA Cullman, AL, USA
Steel Structures

FCA Elgin, IL, USA
Roofing & Siding

FCA Minneapolis, MN, USA
Electrical Devices

Overland Conveyor:

CIF Port of Baie Comeau, Canada
Idler Stands, Pulleys, Tension Winch

DAT Port of Baie Comeau, Canada
Idler Rolls

FCA Bowmanville, ON, Canada
Belting

FCA Elgin, IL, USA
Hood Covers

PURCHASE AGREEMENT

CFR Port of Baie Comeau, Canada
Drive Unit

FCA Pickneyville, IL, USA
Walkway Grating

FCA Neponset, IL, USA
Belt Cleaners

FCA Cullman, AL, USA
Steel Structures

FCA Elgin, IL, USA
Roofing & Siding

FCA Minneapolis, MN, USA
Electrical Devices

Vendor List

Sacrificial Conveyor

Main drive motor:	by others
Speed reducer:	SEW
High speed coupling:	SEW
Low speed coupling:	SEW
Creep drive unit:	SEW
Belting:	Veyance
Idlers:	Precismeca
Pulleys:	Precision Pulley & Idler / Dodge

Overland Conveyor

Main drive motor:	by others
Speed reducer:	SEW
High speed coupling:	SEW
Low speed coupling:	SEW
Creep drive unit:	SEW
Belting:	Veyance
Idlers:	Precismeca (see note below)
Pulleys:	Hese / Precision Pulley & Idler

Note: Beumer will appraise and support a full investigation for the option to use Enduride idlers. Beumer will work with Cliffs to create comparison between existing approved supply options and Enduride. Beumer will work with Cliffs to achieve the most competitive and technically competent supplier solution.

Beumer will supply technical appraisal and comparison data including cost effect differences for the idler options. Decision of supplier will be jointly agreed by Cliffs and Beumer.

PURCHASE AGREEMENT

Technical Exceptions and Clarifications

Data Sheets S05539C-P25601-45W-DSH-001, 002 and 003

Safety Devices and Accessories – Seal belt, welding plug at ends and calibration chain are not included.

Specification S05539C-P25601-45W-SFA-001

Section 2.1 – Conveyors are designed for -40 degrees Celsius, restarting a fully loaded conveyor after an extended period below -20 degree Celsius may not be possible due to the increased resistance in the bearings of the idler rollers.

Specification S05539C-P25601-45W-WPF-001

Section 2.1 – Conveyors will be dressed with necessary instrumentation with standard terminal blocks.

Specification S05539C-02000-45E-DCR-002

Section 2.2 – DIN standards also used for the Overland Conveyor

Section 3.1 – Sacrificial Conveyor belt speed shall not exceed 3 m/s.

- Overland Conveyor belt speed shall not exceed 5 m/s.
- Belt reeling stands and reels are not included.

Section 3.2.1 – Grease will be ESSO Epic EP102 or equal

- Rollers will be supplied with deep grooved ball bearings
- Overland Conveyor idlers according to the DIN standard

Section 3.2.2 – Idlers for Sacrificial Conveyor shall be 35 degree with maximum spacing of 0.914m (3 ft.). Idlers for Overland Conveyor shall be 40 degree with maximum spacing of 1.2m (3.937 ft.)

Section 3.2.3 – Training idlers are not included for the Overland Conveyor.

Section 3.2.4 – 'V' Return idlers for the Overland Conveyor shall be 10 degrees.

Section 3.3 – Pulleys for Overland Conveyor shall be determined by 120% of maximum calculated load.

Section 3.3.3 – Pulleys for Overland Conveyor shall be crowned.

- Pulley Lagging for Overland Conveyor will be ceramic embedded in rubber.

Section 3.4 – Pulley shafting for Overland Conveyor shall be determined by 120% of maximum calculated load.

Section 3.8 – All belting included shall have covers of Grade I.

Section 3.13 – No fire protection system is included. Mobil water tank, etc to meet FM Global Data Sheet 7-11 shall be supplied by others.

Section 3.17 – Side guide rollers will not be used, an additional fourth roller will be utilized to prevent belt buckling and folding over.

Section 5.0 – "GAS Loaded" Tensioners are not available with Martin Engineering products, standard spring tensioners are included.

Specification S05539C-P25601-48W-SFG-001

Section 4.0 – Cable tray shall be located under the Conveyors supported at 3m. Mounting hardware and cable tray supplied by others. The main motors for the Sacrificial Conveyor and Overland Conveyor are supplied by others including all motor starters and Variable Frequency Drives. The creep drive motors are supplied by Beumer.

PURCHASE AGREEMENT

Exhibit B – Terms and Conditions

Contained in CT-Beumer Terms and Conditions appended to the Purchase Agreement under separate cover.

PURCHASE AGREEMENT

Exhibit C – Payment and Delivery Schedule

1	Sacrificial Conveyor Equipment no 2410-5251-002 including transfer tower	
	Mechanical	\$332,252
	Structural	\$351,890
	Engineering	\$26,438
1.1	Additions / Deletions of Previously Discussed Options	
	Supply second secondary cleaner for all conveyors	\$3,950
	Deduct to delete roofing and siding from scope, Beumer will still supply TT roof purlins	(\$20,000)
1.2	Additional Items resulting from progress meetings	
	Addition of walkways on the Sacrificial Conveyor	\$65,275
	Increase inclination of Sacrificial Conveyor	\$63,260
1.3	Savings Offered	
	Supply Precismeca idler rolls	(\$85,200)
	Use Sherwin-Williams Paint	(\$26,000)
1.4	Controls	\$58,457
1.5	Pre-assembly	T.B.D. Beumer Reviewing cost+ options in progress
1.6	Freight	Cost plus in progress
1.7	Subtotal	\$770,322
2.0	OLC Equipment no # 2420-5251-003 including drive house and transfer tower	
	Mechanical	\$11,805,290
	Structural	\$14,541,596
	Engineering	\$1,011,607
2.1	Additions / Deletions of Previously Discussed Options	
	Supply second secondary cleaner for all conveyors	\$3,945
	Design and supply of TT to accept the future addition of roofing and siding.	\$229,300
	Deduct to delete roofing and siding from scope, Beumer will still supply TT roof purlins	(\$80,000)

PURCHASE AGREEMENT

2.2	Additional Items resulting from progress meetings	
	Walkthrough Galleries required over access road and haul road (discussed March 3-4 in Montreal)	\$200,210
	Walkthrough Galleries over service roads (discussed in Montreal 8-24-11)	\$387,150
2.3	Savings Offered	
	Supply Precismeca idler rolls	(\$213,000)
	Use Sherwin-Williams Paint	(\$65,000)
2.4	Controls	\$146,143
2.5	Pre-assembly	T.B.D. Beumer Reviewing cost+ options in progress
2.6	Freight	Cost Plus in progress
2.7	Subtotal	\$27,967,241
3.0	Erection, Commissioning and Site Labor Services	
	Labor volume as per scope of work defined Exhibit A	\$1,185,422
	Commissioning Spares as per list, does not include belting lengths	\$33,604
3.1	Additional Items resulting from progress meetings	
	Applicable flat Daily Rate for 2012 labor services \$1550 for 12 hour days over the labor contained within the lump sum contract.	
3.2	Savings Offered	
	Supply deduction for inclusion in lump sum contract	(\$450,000)
	Commissioning Spares as per list, does not include belting lengths	(\$33,604)
3.3	Subtotal	\$735,422
4.0	Total	\$29,472,985
5.0	Items Not Supplied by Beumer	
	<ul style="list-style-type: none"> • Belt Splicing kits • Supply Sensor Guard Rip Detection • Siding, roofing, flashing and man door access 	

PURCHASE AGREEMENT

1. Schedule of payment for the project (main supply contract)

- 10% down payment
- 5% with submitted engineering documents (conveyor route drawing and NTE loads information)
- 25% against purchase and procurement commencement
- 50% through delivery phase (Monthly invoicing)
- 5% at equipment start up, payment date not to exceed Dec 31st 2012
- 5% Acceptance test passed, payment date not to exceed April 30th 2013

10% of each invoice will be retained.

2. Payment for Additional Site Labor (labor not contained within lump sum contract)

- Site hours shown in Exhibit A will be deducted from the lump sum amount that is included in contract. Time sheets will be presented weekly.
- Site labor in excess of lump sum contract hours will presented on time sheets weekly for client approval at agreed flat rate.
- Invoicing for additional labor hours beyond contract or for labor services supplied in addition to contract will be invoiced monthly at Cliffs daily flat rate. No retention will apply to labor in excess of lump sum contract inclusion.

Retained amount will be placed in interest bearing joint escrow account with dual signatory rights. Upon successful Acceptance test and operation of the plant or by June 30th 2013, whichever is sooner retained amount will be released. Interest amount will be split evenly between supplier and owner.

Prices are valid for acceptance until 1st October 2011.

Prices are subject to escalation per following:

- 40% of contract amount is subject to escalation based on BLS index WPU111- Machinery and Equipment.
- 60% of contract amount is subject to escalation based on PPI index BLS code 332312- Fabricated Structural Steel Manufacturing.

Pricing does not include any sales or use taxes.

PURCHASE AGREEMENT

Beumer Provisional Schedule of Critical Dates

Task	Start	Finish
Bloom Lake Project - Phase II	08/11/11	09/30/12
Notice to Proceed	08/15/11	09/14/11
Misc	08/11/11	08/11/12
Site Plan	08/11/11	09/11/11
Machinery and Pulley Schedule	11/07/11	12/11/11
Specification Sheet	08/11/11	09/23/11
Mechanical and Structural Standards	08/25/11	10/08/11
O&M Manual	05/31/12	08/11/12
Engineering	08/11/11	05/19/12
Sacrificial Conveyor	08/11/11	01/19/12
Transfer Tower Sacrificial / OLC	08/29/11	01/06/12
Overland Conveyor	08/11/11	03/18/12
Transfer Tower OLC / Tripper	08/11/11	02/17/12
Equipment Procurement	08/11/11	06/09/12
Steel Procurement	08/22/11	12/11/11
Fabrication	09/20/11	09/15/12
Shop / Fabrication Details Sacrificial Conv	11/09/11	08/24/12
Detail Sacrificial Conveyor	11/09/11	01/21/12
Review of Shop Details	12/09/11	01/21/12
Incorporate Comments	01/02/12	02/12/12
Sacrificial Mechanical Bolt List	01/16/12	02/19/12
Sacrificial Structural Bolt List	01/16/12	02/19/12
Fabrication	01/23/12	07/25/12
Deliver Fabrication	05/29/12	08/24/12
Shop / Fabrication Details Sacrificial Transfer Tower	11/22/11	06/24/12
Detail Transfer Tower	11/22/11	02/11/12
Review of Shop Details	01/03/12	02/15/12
Incorporate Comments	01/17/12	02/29/12
Fabricate Transfer Tower	01/31/12	05/09/12

PURCHASE AGREEMENT

Deliver Transfer Tower	04/10/12	06/24/12
Fabricate OLC TOWER	10/11/11	02/16/12
Fabrication Details Sacrificial to OLC Transfer Tower	10/11/11	11/07/11
Review of Shop Details	10/25/11	11/07/11
Incorporate Comments	11/08/11	11/14/11
Structural Bolt List	11/15/11	11/21/11
Fabrication Transfer Tower	11/15/11	01/26/12
Delivery Transfer Tower	12/01/11	02/16/12
Fabricate & Deliver OLC Conveyor	09/20/11	08/20/12
Fabricate OLC TAIL AND TURNOVER	02/06/12	08/16/12
Fabricate OLC Stringers	10/25/11	08/11/12
Fabricate OLC On-Grade Frames	09/20/11	07/28/12
Fabricate OLC 18m Deck Trusses	10/03/11	08/20/12
Fabricate OLC 48m Walk Through Trusses	10/17/11	07/18/12
Fabricate OLC Special Trusses	02/06/12	08/01/12
Fabricate OLC Head, Turnover, Drive Frame & Take-up	02/06/12	08/11/12
Fabricate Discharge Chute	02/20/12	08/17/12
Fabricate Support Bents	12/21/11	06/13/12
OLC IDLER FRAMES	12/01/11	05/19/12

PURCHASE AGREEMENT

Exhibit D – Initial Spare Parts

Beumer initial spares list (commissioning spares) for supply within the contract is attached

PURCHASE AGREEMENT

DATE: 2011-09-1							
Vendor Data							
EQUIPMENT TAG NO.:		LIST OF DRAWINGS AND PART LISTS (SEE NOTE 3)					
<small>GENERAL TITLE DESCRIPTION Equipment/Conveyor/Tripper/Conveyor CMA PAC - ACE, NO. 996500 Exhibit 16/27/11-11 VENDOR NAME VENDOR ADDRESS TELEPHONE VENDOR'S REFERENCE NO. DATE REQUIRED AT SITE:</small>		RECOMMENDED SPARE PARTS FOR COMMISSIONING AND START-UP OLC, TRIPPER AND SACRIFICIAL CONVEYOR EXHIBIT D					
COLUMNS TO BE COMPLETED BY VENDOR (SEE NOTE 5)							
ITEM NO	ITEM REFERENCE NO (SEE NOTE 3)	DESCRIPTION	Conveyor System	NO OF PARTS (PER UNIT)	UNIT PRICE	RECOMMENDED SPARE PARTS FOR COMMISSIONING AND START UP	Total PRICE
		BELTING					\$0.00
		DRIVE REDUCERS					
1	Reducer - spare kit	Spare parts kit	Overland	1	\$2,646.00	6	\$15,876.00
		OLC IDLERS					
2	Idler	40 deg Trough Roll, 159mm x 600mm	Overland	10860	\$120.00	55	\$6,800.00
3	Idler	V Return Roll, 159mm x 900mm	Overland	1000	\$140.00	5	\$700.00
4	Idler	Guide Roll, 159mm x 250mm	Overland	700	\$45.00	4	\$180.00
		SACRIFICIAL AND TRIPPER IDLERS					
5	Idler	72" - 35 deg Troughing, F-Series - F6	Sacr., Tripp	196	\$672.00	1	\$672.00
6	Idler	72" - 35 deg Troughing Training (Adj), F Series - F	Sacr., Tripp	20	\$1,360.00	1	\$1,360.00
7	Idler	72" - "V" Return Roll, E - Series - E-6	Sacr., Tripp	76	\$568.00	1	\$568.00
8	Idler	72" - "V" Return Training, E - Series - E-6	Sacr., Tripp	10	\$1,098.00	1	\$1,098.00
9	Idler	72" - 35 deg Impact, F-Series - F6	Sacr., Tripp	12	\$998.00	1	\$998.00
		Bearing Spare Parts					
10	Pulley Bearings	13.5" dia USAF - Seals - Return	Overland	4	\$329.29	1	\$329.29
11	Pulley Bearings	13.5" dia USAF - Seals - Drive	Overland	12	\$354.31	2	\$708.63
12	Pulley Bearings	11.0" dia USAF - Seals - Return	Overland	8	\$236.09	1	\$236.09
13	Pulley Bearings	9.5" dia USAF - Seals - Return & Take up	Overland	28	\$152.79	2	\$305.58
14	Pulley Bearings	9" dia USAF - Seals - Snub	Overland	12	\$83.08	2	\$166.15
15	Pulley Bearings	8" dia USAF - Seals - Snub	Overland	8	\$76.52	1	\$76.52
16	Pulley Bearings	5 15/16" dia USAF - Seals - Snub	Overland	32	\$65.30	3	\$195.90
17	Pulley Bearings	7" dia USAF - Seals - Bend4	Tripper	4	\$72.50	1	\$72.50
18	Pulley Bearings	6 1/2" dia USAF - Seals - Drive	Tripper	4	\$69.00	1	\$69.00
19	Pulley Bearings	6 1/2" dia USAF - Seals - Bend6	Tripper	4	\$69.00	1	\$69.00
20	Pulley Bearings	5 15/16" dia USAF - Seals - Drive	Sacrificial	4	\$65.30	1	\$65.30
21	Pulley Bearings	5 15/16" dia USAF - Seals - Snub	Tripper	4	\$65.30	1	\$65.30
22	Pulley Bearings	5 7/16" dia USAF - Seals - Bend20 & Tail	Tripper	8	\$53.80	1	\$53.80
23	Pulley Bearings	4 15/16" dia USAF - Seals - Bend12 (TR) & Tail (S	Sacr., Tripp	8	\$38.50	1	\$38.50
24	Pulley Bearings	4 7/16" dia USAF - Seals - Bend	Sacrificial	4	\$27.60	1	\$27.60
		ELECTRICAL SWITCHES					
25	Safety Switches	Pullcord Switch		1	\$520.00	1	\$520.00
26		Belt Alignment Switch		1	\$520.00	1	\$520.00
27		Speed Switch		1	\$845.00	1	\$845.00
28		Tilt Switch		1	\$900.00	1	\$900.00
29		Limit Switch Bull 802T		1	\$290.00	1	\$290.00
							\$33,604.15

Final engineering may results in changes to above.

PURCHASE AGREEMENT

Exhibit E – Service and Support Program & Training

The labor services described in sections 1 through 4 will be included in the supply of the conveying system detailed under Exhibit C.

The items contained in section 5 are optional service programs that Beumer can provide.

Beumer intent is to recruit at least one French speaking Quebec based Technician to provide the main point of contact and interface with Cliffs staff present at site during various phases of the on-site time required. Cliffs will be invited to attend final interviews for short listed candidates, given that the individual selected will be exclusively on Cliff's site for an extended time period. Final candidate selection will be jointly agreed between Cliffs and Beumer. The candidate will be a full time Beumer employee managed and directed by Beumer Kansas City.

We plan to have the individual trained and ready for start of site time during the early to mid phase of the installation period in 2012. Beumer may also supplement this approach with additional field labor (Beumer start up and service technicians) or prequalified and trained sub-contractors.

Beumer supplies labor service only. Travel inside Canada, accommodation, food and local transport Will be supplied by Cliffs or billable at cost.

1. Installation Supervision

Beumer will supply supervision to enable effective and accurate installation of the items to be supplied under Exhibit A. The supervision support will be in the form of a qualified and trained technician who can recommend and advise on erection, equipment storage and effective handling of all items within Beumer scope of supply.

No field labor is included in the contract, supervisory technician services only.

Normal working day will be 12 hours day shift. The total number of weeks provided in the scope for installation support is 28 weeks.

2. Start-Up services

Start-Up Services will comprise of the following activity to be conducted by Beumer as follows.

I. Installation Checking and Certification for Commencement of Test Operation

Beumer will perform dry installation checks including, but not restricted to conveyor alignment, belt splice conditions, general conveyor condition, general inspection, tail end checks, drive end checks, final assembly etc. Switches and safety equipment installation and operation check will also be completed. Setting up and initial adjustment of belt cleaners will be completed. Installation of all covers and guards will be checked. An installation checklist will be produced and any items requiring rectification will be submitted and discussed with installation contractor and owner.

Beumer has included 2 working weeks 12 hour day shift. This assumes installation is fully complete at time of checking.

PURCHASE AGREEMENT

Beumer will issue written report and will recheck modifications or rectification work prior to starting dry start up.

II. Dry Start-Up services

Beumer will perform initial dry operation of the conveyor over a 2 week period. Based on 12 hour day shift.

In order for dry start up to commence the following conditions need to be met:

- Certificate of conveyor and system check from Beumer technician is in place
- Power available to all equipment in scope
- All safety equipment is in place and checked
- Initial proving of control system, joint commencement agreement agreed between Beumer, electrical controls technician and owner.

The initial dry start up will in general terms take place as follows

- Dry start up initiated, short duration of initial run and operation observed
- Setting of cleaners, tracking
- Winch adjustment and final setting dry belt tension adjustments completed
- Extended dry run building up to consistent level of running hours completed
- Checking and operation of control system, including safety interlocks completed
- Operation of creep drive and emergency operation completed
- Continuous operation of conveyor dry established completed

III. Wet Start Up Services

Beumer will perform wet operation of the conveyor over a 3 week period based on 12 hour day shift. Beumer has provided two technicians for the completion of the wet commissioning period. Wet commissioning is based on day shift operation extending towards fulltime operation at end of start-up period.

In order for wet start up to commence the following conditions need to be met:

- Proven dry operation and completed inspection report of conveyor and system check from Beumer technician in place
- Sufficient material available from owner to run conveyors at capacity
- All safety equipment in place and checked
- Final proving of control system
- Storage hall ready to receive material and or mobile equipment provided by owner to remove material from site

The wet start up will in general terms as follows

- Wet start up initiated, short duration of initial run and operation
- Final setting of cleaners, tracking
- Winch adjustment and final setting
- Extended wet run building up to consistent level of full running hours

PURCHASE AGREEMENT

- Checking and operation of control system
- Operation of creep drive and emergency operation
- Continuous operation of conveyor dry established
- Testing of conveyors at full capacity for Customer Acceptance
 - As per Terms and Conditions a 4 hour test will be run
 - All conveyors will be tested at 6000tph average for a continuous 4 hour period
 - Successful completion shall result in Customer Acceptance
 - Unsuccessful completion shall require adjustment and retesting as per terms and conditions

3. Operator Training

The approach and curriculum for training is provisionally planned as follows

Beumer suggests a mix of classroom and practical on job training sessions.

The labor to complete training is the same individuals that will be on site for installation supervision, start up and initial period of operation.

I. Conveyor General Classroom Training Sessions (All Staff)

This will be a general overview of the basic design and approach criteria for belt conveyors. This will be accomplished in a 4 hour (morning or afternoon) classroom session maximum group size 12.

- OLC design
- Components and design criteria
- Approach and differences to conventional horizontal conveyors
- Explanation of drawings, manuals and procedures
- Beumer customer support program explanation and contacts

II. Practical Operator Training (Operator Training)

This can be accomplished in 2 - 3 days with a maximum group size of 3. This can be done after an initial period of start up.

- OLC operational characteristics
- Start up and shut down
- Emergency operation
- Belt tracking and belt running observations
- Cleaner setting
- Trouble shooting
- Wear parts and wear indicators (operational performance assessment)

III. Practical Maintenance Training (Maintenance Staff)

This can be accomplished in 3 days with a maximum group size of 3.

- Detailed equipment set up and wear observations
- Monitor and observation of typical wear parts

PURCHASE AGREEMENT

- Key component change and maintenance
- Check sheets and inspection criteria
- Maintenance schedule and program
- Optimization of conveyor performance

Beumer has included 3 introduction classroom sessions and 4 sessions each for operator and maintenance training on site in scope.

4. Initial period of Operation Support

Beumer intends to support Cliffs in the initial period of operation and has included in the contract the following post start up site services level.

Post operation support commences from the completion of startup and will include acceptance testing completion.

The scope of support for initial operation will be for the following activity

- Conveyor optimization
- Regular running adjustments recommendations for equipment
- Inspection and monitoring of equipment with Cliffs staff
- Ongoing training for Cliffs site engineering and operators
- Technical advice for Cliffs staff
- Assistance in setting maintenance inspections schedules and intervals with Cliffs maintenance group
- Supporting spare parts inventory and ordering
- Supervision of any spares fitting as required
- Work to assist in the determination of any potential warranty claim or performance exception

The principle is to create a sense of comfort for Cliffs and to ensure that the conveyor operation is smooth and consistent. Beumer has provided coverage initially day and night. Beumer anticipates that a reduction in site presence to day working only can occur, when the conveyor operation and performance is consistent. Beumer has allowed for 24 hour coverage for the first 12 weeks of operation. Beumer has allowed for a further 30 weeks of support based on day shift running hours 12 hour days.

This will provide a total of 42 weeks of support from start up.

5. Optional Beumer Combined Customer Support Program Options

Beumer suggests that Cliffs consider combined site support programs once Beumer contract inclusive support is completed.

This can be designed with varying levels of service and some options have been outlined below.

Contract duration is subject to discussion, Beumer can suggest 1, 3 or 5 year terms.

Beumer will supply pricing for these options on request at anytime, firm prices can only be agreed at time of contract start.

PURCHASE AGREEMENT

Level One Spare parts and service schedule

Under this arrangement Beumer will issue a service plan and spares holding level. All labor services will be selected and pre priced up front on an annual basis from a Cliffs preferred rate sheet. This will essentially be a time and materials supply basis taken as required by owner with pricing set in advance for the following year.

The rate sheet will contain Cliffs preferred labor rates and spares pricing level.

Labor should be scheduled in advance

Spares deliveries will be defined in advance along with the recommended delivery intervals.

Level Two Predetermined Inspection and Spares Contract

This will be a service contract with 1, 3 or 5 year duration. The contract will define standard maintenance intervals and scope of work for each inspection to be completed during the contract period.

The inspection will be concluded with a full written report of equipment condition, operating and general condition status. The report will define required actions both to rectify any exception conditions, wear part replacement or anticipated near term maintenance requirements. The information will define any preventative maintenance or rectification work recommended.

The inspection interval recommended should be once per quarter with an anticipated site time of 1 week to cover all equipment based on 10 hour working days

Depending on finalized duration some increase in inspection intervals may be advisable in years 4 and 5.

The spares requirements will be defined as a standard recommended spares holding that will be housed within the contract. The contract for spares will be based on a base holding level purchased by Cliffs prior to contract commencement. Beumer will monitor inventory and will make recommendations on holding level adjustments and provide proposals and recommended reordering instructions.

Level Three Complete Routine Maintenance and Spares Package Contract

This contract option will include the routine inspections that are defined and contained in the level two options.

In this option Beumer will also offer the management and supervision of all routine maintenance requirements that result from inspection visits. This is typically limited to a number of predetermined overhaul or maintenance visits to take place at anytime within the contract duration. Contract durations can be 1, 3, 5 or more years depending on customer preference. Once visits are used contract can be renegotiated or switched to standard rates.

Simple maintenance work such as single idler replacement, switch replacement or simple repairs during normal operation are not considered routine maintenance events.

PURCHASE AGREEMENT

The spares package associated with this contract level will be essentially supplied as per contract level two with the inclusion of key replacements defined as occurring in the contract duration held on consignment (pay as used basis) at the customer site. Beumer will manage inventory to base level agreed. At the end of the contract duration all spares are to be acquired by the owner at proposal values.

This is essentially an upfront fixed cost service plan. Additional hours or parts that exceed the contract scope will be at standard rates and prevailing quotation rate at time of order.

Level Four Fully Inclusive Maintenance Contract with availability option Contract

This contract level is normally executable over a longer period, typically 3 years or more. This places all ongoing maintenance management and potentially some responsibility for equipment availability into Beumer scope.

All coverage contained in levels two and three are included in this scope.

This contract type will normally be based on a defined availability rate established within the first six months of operation under contract. This will fix an availability benchmark for the covered equipment under the contract. The contract contains bonus and penalty elements based on criteria for % of equipment availability.

Beumer anticipates supplying a level of permanent site presence suitable to meet criteria defined for service intervals and operating availability. This is normally dayshift presence for equipment of this type, although 24 hour coverage options can be considered.

Spares are included on either a fixed lump sum cost basis for entire contract time (no risk spares option) or on consignment (pay as used) basis.

Emergency Services Option

Beumer can support various levels of call out for emergency or exception conditions irrespective of the contract established.

The following variables are to be determined and are established dependent on contract level taken.

- Call to site arrival time level
- Exact event that constitutes emergency call out
- Level of phone support available or applicable

PURCHASE AGREEMENT

Exhibit F – Site Safety and Health Provisions

Beumer will only send competent people to job site.

Site staff will arrive on site with Beumer-provided personal protective equipment to meet Cliffs' site requirements.

Beumer will undertake and complete all required induction and safety training for all site staff.

Beumer will adhere to all site rules including accident reporting, posted safety instructions, safety notices, all safety instructions provided to Beumer.

PURCHASE AGREEMENT

between

The Bloom Lake Iron Ore Mine Limited Partnership,
by and through its General Partner,
Bloom Lake General Partner Limited

and

Beumer Corporation

TERMS AND CONDITIONS

September 30, 2011

TABLE OF CONTENTS

1.	APPLICATIONS	1
2.	DEFINITIONS	1
3.	INTERPRETATION	2
4.	AUTHORIZATIONS	3
5.	TAXES, FEES AND DUTIES	3
6.	REPRESENTATIONS AND WARRANTIES OF SUPPLIER.....	4
7.	ASSUMPTION OF RISKS OF LOSS AND DAMAGE.....	4
8.	INSURANCE.....	4
9.	DEFECTIVE DELIVERABLES.....	5
10.	INDEMNIFICATION	5
11.	DRAWINGS, DIAGRAMS, MANUFACTURER INSTRUCTIONS AND DELIVERY CONDITIONS	6
12.	DELIVERY	7
13.	DELAYS	7
14.	CONFIDENTIAL INFORMATION.....	7
15.	MAINTENANCE AND OPERATING MANUALS.....	9
16.	FOLLOW-UP	9
17.	INSPECTION	9
18.	MATERIAL REPLACEMENT AND EQUIVALENCE.....	10
19.	MODIFICATIONS.....	10
20.	MODIFICATION REQUEST	10
21.	CHANGE ORDER	10
22.	EVALUATION OF WORK CHANGES.....	10
23.	BILLING	11
24.	PAYMENTS.....	11
25.	REGULATIONS CONCERNING DISAGREEMENTS	12
26.	DEFAULT OF SUPPLIER.....	13
27.	UNILATERAL TERMINATION OF THE CONTRACT	13
28.	FORCE MAJEURE.....	14
29.	LIQUIDATED DAMAGES	14
30.	SURVIVAL	14
31.	EQUIPMENT PREPARATION, SHIPMENT AND STORAGE CONDITIONS	15
32.	SENSITIVE MATERIALS.....	17
33.	GUARANTEE.....	17
34.	SUPPLIER EXECUTION SCHEDULE	17
35.	DRAWINGS AND DOCUMENTATION	18

36.	QUALITY.....	18
37.	METRIC SYSTEM	19
38.	PERFORMANCE TESTING	20
39.	DOCUMENT AND EQUIPMENT NUMBERING	20

PART I - GENERAL

1. APPLICATIONS

These Standard Terms and Conditions are applicable to the Supply of deliverables as set forth in the Contract.

2. DEFINITIONS

As used in these Standard Terms and Conditions, the following terms have the following meanings unless the context otherwise requires:

- 2.1 “**Affiliates**” – means, with respect to either Party, any entity which directly or indirectly controls or is controlled by or is under direct or indirect control with the Party or any entity which is directly or indirectly controlled by any entity which controls said Party.
- 2.2 “**Confidential Information**” – has the meaning ascribed thereto in Section 14.1 of these Standard Terms and Conditions.
- 2.3 “**Consulting Engineer**” – means the third party acting on the behalf of Owner to perform the general engineering and related project management services for the execution of the Project.
- 2.4 “**Contract**” – means:
- (i) The Purchase Order;
 - (ii) the Standard Terms and Conditions;
 - (iii) the Specific Conditions;
 - (iv) the Contract Documents;
- 2.5 “**Contract Documents**” – means all job instructions, diagrams, plans, shop drawings, samples, scale models and all other documents or materials supplied by Owner to Supplier within the context of the Project.
- 2.6 “**Disclosing Party**” – has the meaning ascribed thereto in Section 14.1 of the Standard Terms and Conditions.
- 2.7 “**Equipment**” – means the equipment identified in the Contract Documents.
- 2.8 “**Losses**” – means all damages, losses, amounts paid in settlement, demands, claims, liabilities, assessments, judgments, awards, costs and expenses (including, but not limited to, attorneys’ fees and expenses, costs of investigation, court costs, expert and consultant fees), interest (including prejudgment interest in any litigated matter), penalties and charges.
- 2.9 “**Owner**” – means The Bloom Lake Iron Ore Mine Limited Partnership.
- 2.10 “**Parties**” – means Supplier and Owner.
- 2.11 “**Project**” – means the Supply by Supplier to Owner of all deliverables identified in the Contract in compliance with the terms and conditions contained therein.

- 2.12 **“Purchase Order”** – means such purchase order issued for the Supply by Supplier of the deliverables more specifically identified in these Standard Terms and Conditions, the Specific Conditions and the Contract Documents duly signed by an authorized representative of Owner, setting forth a particularized order for the Supply by Supplier of said deliverables, including price, delivery dates and such other information as may be necessary in accordance with and subject to the terms and conditions of the Contract.
- 2.13 **“Quality Plan”** has the meaning ascribed thereto in Section 36.1 of these Standard Terms and Conditions.
- 2.14 **“Recipient”** – has the meaning ascribed thereto in Section 14.1 of these Standard Terms and Conditions.
- 2.15 **“Representatives”** – means the officers, directors, employees and agents of one Party or any other corporate entity referred to in the Contract.
- 2.16 **“Specific Conditions”** – means the document entitled “Specific Conditions” agreed upon by the Parties within the context of the performance of the Project.
- 2.17 **“Standard Terms and Conditions”** means the standard terms and conditions provided herein.
- 2.18 **“Supplier”** – means Beumer Corporation.
- 2.19 **“Supply”** – means the design, research and development, manufacturing, supply and delivery of the Equipment and the supply of accessory services including, but not limited to, technical assistance, commissioning, test, start-up, compilation, process and planning services as required for the progress and finalization of the Project, but excluding erection.

3. INTERPRETATION

The following provisions govern the Contract with respect to rules of interpretation:

- 3.1 **Applicable Laws** – this Contract is governed by the laws of Ohio and shall be interpreted in accordance with such laws.
- 3.2 **Currency** – unless otherwise indicated, all dollar amounts mentioned in the Contract are in US dollars.
- 3.3 **Entire Agreement and Amendments** – the Parties acknowledge that the Contract constitutes a full and entire agreement entered into between them and supersedes any previous agreement, discussions and negotiations to the same effect regarding the subject matter of the Contract. The Parties acknowledge that no amendments may be made to the Contract unless agreed to between the Parties and confirmed in writing.
- 3.4 **Implicit Waiver** – the fact that a Party hereto has not insisted on the full performance of any provision contained herein or has not always exercised any of its rights conferred thereon shall not be construed as a waiver of such rights or the performance of such provisions in the future; save for express provisions to the contrary, any waiver of a right by one of the Parties hereto shall be effective only where set out in writing and any such waiver shall apply only to the rights and circumstances expressly indicated therein.

- 3.5 **Severability** – each provision hereof forms a distinct whole such that any court decision rendering any such provision null or unenforceable shall not in any manner affect the validity of the other provisions or the enforceability thereof.
- 3.6 **Precedence** – Supplier undertakes to strictly comply with all documents hereinafter referred to. In the case of contradiction between the following documents, they shall take precedence in the following order:
- 3.6.1 the Purchase Order;
 - 3.6.2 the Specific Conditions;
 - 3.6.3 the Standard Terms and Conditions;
 - 3.6.4 the technical specifications contained in the Contract Documents subject to the foregoing:
 - (i) the documents with the most recent date take precedence;
 - (ii) the figured dimensions on the plans take precedence, even if they are different than the dimensions given by scale;
 - (iii) the plans drawn on a larger scale take precedence over the plans drawn on a smaller scale on the same date; and
 - (iv) the technical specifications take precedence over plans except plans produced at a later date take precedence over technical specifications relating to the same subject matter; and
 - 3.6.5 the technical standards contained in the Contract Documents.
- 3.7 **Interpretation of Contract Documents** – Owner has priority in interpreting the Contract Documents. Where the Contract is unclear or ambiguous and the Owner's interpretation causes an increase or decrease in costs of, and/or the delivery schedule for, the Equipment and Supply, the Parties undertake to negotiate in good faith in order to adjust the total price payable to the Supplier by Owner for, and/or the delivery schedule of, the Equipment and Supply, whether or not such adjustments benefit Supplier or Owner.

4. **AUTHORIZATIONS**

Supplier is responsible for obtaining all authorizations from third parties, including licenses and certificates, necessary to carry out the Project and for observing and ensuring that the federal, provincial and municipal laws, regulations, ordinances, decrees and codes applicable to the execution of the Project are observed, and for providing, if Owner so requests, proof that they were observed.

5. **TAXES, FEES AND DUTIES**

The consideration set out in the Purchase Order includes all accessory fees, duties, royalties, commissions and other accessory disbursements, if any, for the Supply under the Contract. The consideration set out in the Purchase Order excludes, however, all federal, provincial and municipal applicable taxes, if any, which must be satisfied by Owner.

6. REPRESENTATIONS AND WARRANTIES OF SUPPLIER

Supplier hereby makes the following representations and warranties:

- 6.1** Supplier has the full right and authority to enter into the Contract and is not aware of any impediment that would inhibit its ability to perform its obligations under the Contract.
- 6.2** Supplier is the owner and has good and marketable title to the Equipment free and clear of all liens. The Equipment is not subject to any restrictions with respect to the transferability thereof and there is no contract, option or any other right binding upon or which at any time in the future may become binding upon Supplier to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber the Equipment other than pursuant to the Contract.
- 6.3** The use of the Equipment and the Supply rendered by Supplier in accordance with the Contract will not infringe the rights (including intellectual property rights) of any third party.
- 6.4** The use of the Equipment and the Supply rendered by Supplier in accordance with the Contract will not breach any laws (including any laws in respect of intellectual property rights) or infringe any intellectual property rights.
- 6.5** The Equipment will conform:
 - 6.5.1** to the specifications set forth in the Contract; and
 - 6.5.2** to all applicable laws.
- 6.6** The Equipment will be of merchantable quality, free from all defects in design, workmanship and material and will be fit for the particular purpose for which it is purchased.

The Parties consent and agree that nothing contained herein shall limit in any way representations and warranties imposed upon Supplier by applicable law.

7. ASSUMPTION OF RISKS OF LOSS AND DAMAGE

Notwithstanding any provision included in the Contract, Supplier shall bear all risks of loss or damage to the Equipment, until delivery to Owner in accordance with the Contract.

8. INSURANCE

Without limiting Supplier's undertaking to indemnify, defend and hold harmless Owner as provided herein, Supplier shall purchase and maintain, until the expiry of a year subsequent to completion and acceptance of the Equipment by Owner, general liability insurance, product liability insurance, property damage insurance, workers compensation and employees liability insurance with an inclusive limit of \$5,000,000 per occurrence as well as any other insurance coverage which may be required by law in any jurisdiction with authority over Supplier's operations or which Owner may reasonably request from time to time, whichever is greater. Coverage shall be written on an occurrence basis. Supplier shall provide insurance coverage by a responsible and reputable insurance company (or companies). Certificates of insurance evidencing the aforementioned coverage shall be forwarded to Owner within ten (10) days of demand. It is further agreed that Owner will be added as additional insured on the aforementioned policies.

9. DEFECTIVE DELIVERABLES

- 9.1** If any of the deliverables under the Contract are found to be defective within twelve (12) months from date of first use, but not more than eighteen (18) months from the date of delivery by Supplier to Owner, then, in addition to other rights and remedies Owner may have under the Contract or at law or equity, Owner may, at its option and sole discretion, and at Supplier's expense: (a) reject and return such deliverables; (b) require Supplier to re-perform/replace the non-conforming deliverables with deliverables that conform to the requirements of the Contract; and/or (c) take such actions as may be required to cure all defects and/or bring the deliverables into conformity with all requirements. Any attempt by Supplier to limit, disclaim or restrict any such undertaking, by acknowledgment or otherwise, in accepting or performing the Contract, shall be null, void and ineffective without Owner's written consent. Notwithstanding the above, Owner shall allow Supplier to inspect any defective deliverable and provide evidence of defect and maintenance records to justify warranty claims. Should Supplier wish to inspect any defective deliverable, such inspection shall be completed by Supplier within 15 days of a notice delivered to the Supplier to the effect a deliverable is defective, unless a longer delay is agreed to by Owner.
- 9.2** All deliverables re-performed or remedied in accordance with the aforementioned undertaking shall be covered by a warranty which shall apply under the same conditions as for the original deliverables. Receipt and acceptance of deliverables under the Contract by Owner shall in no way limit Owner's ability to exercise its rights under this Section 9.

10. INDEMNIFICATION

- 10.1** To the fullest extent permitted by law, the Parties (Supplier and Owner) shall mutually defend and indemnify each other. The first party shall defend and indemnify the second party, its Affiliates and their respective Representatives and hold each of them harmless to the extent Losses of any nature whatsoever suffered by any or all of them, arising out of or resulting in any manner whatsoever from (i) the negligence or willful misconduct of the first party, its sub-contractors, and their Affiliates and their Representatives; (ii) the performance of any of the first party's covenants, undertakings and/or obligations under the terms of the Contract; and (iii) any material breach of, or failure to fulfill, any representation and warranty given by the first party under the terms of the Contract. The first party shall confer with the second party prior to settlement of any claims for which the first party shall provide a defense and indemnity to the second party.
- 10.2** Promptly upon obtaining knowledge thereof, the second party shall notify the first party of any cause which the second party has determined has given or could give rise to indemnification under this Section 10. The omission to notify the first party shall not relieve the first party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to the extent) the omission to notify materially prejudices the ability of the first party to exercise its right to defend provided in this Section 10.
- 10.3** Limitation of Liability
- 10.3.1** Except for liabilities provided for in this Agreement, including liquidated damages, neither Party shall have any liability whatsoever to the other for any special, incidental, indirect or consequential loss, injury or damage of any nature such as, but not limited to, loss of income, profit or revenue, loss of buyer goodwill, damage to business relations, business opportunity or production, loss of use of equipment, down-time costs, claims by clients or buyers of either Party, or damages for economic losses arising from, connected with or relating to a

Party's acts or omissions, whether or not such damages are foreseeable, whether or not such party has been advised of the possibility of such damages, whether based on contract, warranty, tort (including negligence of any nature, whether sole or concurrent), strict liability, enterprise liability or other product liability theories.

- 10.3.2 Each party expressly waives any right to claim or to seek recovery of exemplary or punitive damages from the other Party for any act or omission arising out of or in connection with the performance or nonperformance of the obligations under the Agreement.
- 10.3.3 The cumulative total liability of either Party with respect to claims, costs, liabilities and damages under or related to the Agreement or the performance or nonperformance of the work, whether based on contract, tort (including negligence, whether sole or concurrent), strict liability or otherwise (excluding warranty), shall not exceed the total amount to be paid under this Agreement. This limitation on cumulative total liability shall not apply if the damage was caused by a Party's gross negligence or willful misconduct nor shall this limitation apply with respect to recovery from insurance policies provided pursuant to this Agreement.

PART II - CARRYING OUT THE WORK

11. DRAWINGS, DIAGRAMS, MANUFACTURER INSTRUCTIONS AND DELIVERY CONDITIONS

- 11.1 In order to keep the Supply on schedule, Supplier shall give, at the appropriate time, to Owner and its Consulting Engineer and for their review and acceptance, all the drawings, diagrams and manufacturer instructions necessary to carry out the Supply properly, which review and acceptance by Owner and Consulting Engineer shall be performed in a timely manner and Supplier shall not be responsible for any delays in such review and acceptance.
- 11.2 All final drawings, diagrams and manufacturer instructions for the Equipment shall be checked, identified, dated, signed and sealed by Supplier's registered design engineer. Upon submittal to the Owner and its Consulting Engineer, Supplier must clearly highlight and indicate all changes in connection with the Contract Documents.
- 11.3 It is specifically agreed that review and acceptance of the drawings, diagrams or manufacturer instructions by Owner and/or Consulting Engineer does not in any way discharge Supplier of its liability.
- 11.4 Supplier is not to proceed with the Supply until Owner and Consulting Engineer have had an opportunity to review and accept Supplier's drawings, diagrams and manufacturer instructions accessory to the Supply.
- 11.5 Supplier is responsible for the design and the preparation of all general arrangements for the Supply. Supplier will undertake the shop fabrication drawings following the review and acceptance of the general arrangement drawings by Owner and Consulting Engineer.
- 11.6 Each component of the Supply, including each of the drawings, diagrams and manufacturer instructions prepared by Supplier shall comply with the specific conditions required for the Equipment with regard to:

- 11.6.1 packaging and labeling;
- 11.6.2 transportation;
- 11.6.3 storing procedures;
- 11.6.4 unloading procedures;
- 11.6.5 installation procedures; and
- 11.6.6 operating instructions and maintenance manuals in English and in French.

12. DELIVERY

- 12.1** Supplier must deliver the Equipment to the specified location at the specified time, packaged, labeled and tagged according to specifications set forth in the Specific Conditions set forth in the Contract. Each delivery must be accompanied by a packing list, in duplicate inside a waterproof envelope attached to or inside any parcel, clearly listing the items delivered, item tag numbers, quantities, order number and item numbers. Any delivery not materially conforming to the above conditions may be refused. A delivery intention notice must be sent to Owner, to the attention of "Construction Supervisor", e-mail address to be provided, with mention "Equipment Delivery", seven (7) days before any delivery. Unless otherwise indicated in the Specific Conditions, the delivery and transport conditions are per Incoterms 2010. All equipment, parcels or parts delivered must be clearly identified by Supplier using labels firmly attached before shipping. The equipment number will be given to Supplier before shipping and must appear on the label.
- 12.2** In the case of sub-assemblies or parts that are shipped separately, Supplier shall give Owner, at least three weeks before shipping, a list of every sub-assembly or part, and indicate on the label, every sub-assembly or part number that will be given to Owner by Supplier's procurement manager.
- 12.3** In the event Supplier reasonably believes that the delivery of the Equipment or any component thereof under the Contract may be delayed, Supplier shall immediately inform Owner of any such delay and shall submit recovery plans to meet Owner's requirements. Notwithstanding the foregoing, Supplier shall not be relieved of its liability as a result of the late delivery of the Equipment.

13. DELAYS

Owner may, at its sole discretion, request postponement of any shipment without being deemed to have failed in its obligations pursuant to the Contract upon payment of Supplier's increased storage costs and carrying costs, if any, resulting from the delay. If Owner postpones any shipment by more than 45 days and such postponement causes modifications in costs of, and/or delivery schedule for, the Equipment and Supply, the Parties shall negotiate in good faith a reasonable adjustment to the total price payable by Owner to the Supplier for, and/or the delivery schedule of, the Equipment and Supply.

14. CONFIDENTIAL INFORMATION

- 14.1** As used in these Standard Terms and Conditions, the term "Confidential Information" means any and all material and information, whether or not reduced to writing, related to the Project or to the business of any Party or any of its Affiliates which (a) is disclosed by one Party or any of its Affiliates or any of their Representatives (collectively the

“Disclosing Party”) to the other Party or any of its Affiliates or any of their Representatives (collectively the “Recipient”) or observed by Recipient on Disclosing Party’s premises, and (b) is treated as confidential by Disclosing Party, or would otherwise reasonably be understood to be confidential under the circumstances. Confidential Information includes but is not limited to plans, formulas, machinery, designs, layouts, equipment, processes, manufacturing methods, ideas, data (technical and non-technical), patterns, compilations (including compilations of customer information), programs (including models), devices, methods (including design methods), techniques, drawings, processes, financial information (including sales forecasts), lists of past, actual or potential customers and suppliers (including identifying information about those customers and suppliers), operational information, planning or strategy information, research and development information, information about existing and future products, and information about personal matters of Disclosing Party. Confidential Information also includes information disclosed to Disclosing Party by a third party that Disclosing Party is legally obligated to maintain in confidence. Confidential Information disclosed in tangible or electronic form may be identified by Disclosing Party as confidential with conspicuous markings, or otherwise identified with a legend as being confidential, but in no event shall the absence of such a mark or legend preclude disclosed information which would be considered confidential by someone exercising reasonable business judgment under the circumstances from being treated as Confidential Information by Recipient.

- 14.2** For the purposes of these Standard Terms and Conditions, the term “Confidential Information” does not include information which is: (a) in the public domain when it is received by or becomes known to Recipient or which subsequently enters the public domain through no fault of Recipient; (b) already known to Recipient at the time of its disclosure to Recipient by Disclosing Party and is not known by Recipient to be the subject of an obligation of confidence of any kind; (c) independently developed by Recipient without any use of or reference to the Confidential Information of Disclosing Party and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction; (d) received by Recipient in good faith without an obligation of confidence of any kind from a third party who Recipient had no reason to believe was not lawfully in possession of such information free of any obligation of confidence of any kind; or (e) released in writing by Disclosing Party from confidential status.
- 14.3** Each of the Parties (a) must at all times keep and hold all Confidential Information in strict confidence and must not use the Confidential Information except to further the Project or as otherwise specifically authorized in writing by Disclosing Party; and (b) must use the same care and discretion as it employs with its own confidential and proprietary information (but in no event less than reasonable care and discretion) to maintain in confidence, and prevent disclosures of, the Confidential Information. Under no circumstances, except as expressly set forth below, shall Recipient reproduce, distribute or otherwise provide, directly or indirectly, any Confidential Information to any person or entity without the consent of Disclosing Party. Recipient shall not reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody Disclosing Party’s Confidential Information.
- 14.4** Notwithstanding the foregoing, each Party may disclose Confidential Information: (a) on a “need-to-know” basis to the Representatives of Recipient who are directly involved in performing or evaluating the Project, and who have a specific need to know such information, and who are obligated to hold the information in confidence and otherwise to comply with the terms of these Standard Terms and Conditions; and (b) to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by law provided that, in the event such disclosure may be required, demanded or ordered, Recipient provides prior written notice to Disclosing Party.

Recipient will advise each Representative who is given access to the Confidential Information of its confidential nature and the existence and importance of these Standard Terms and Conditions. Moreover, Recipient shall be solidarily liable for any breach of these Standard Terms and Conditions by any of its Representatives.

- 14.5 Each Party understands and acknowledges that Disclosing Party's Confidential Information has been developed or obtained by Disclosing Party by the investment of significant time, effort and expense, and that such Confidential Information provides Disclosing Party with a significant competitive advantage in its business.
- 14.6 The obligations of confidentiality set forth herein shall continue indefinitely.
- 14.7 Each Party acknowledges that its failure to comply with its obligations under this Article 14 will cause irreparable harm to the other Party which cannot be adequately compensated for in damages, and accordingly acknowledges that the other Party will be entitled to obtain, in addition to any other remedies available to it, interlocutory and permanent injunctive relief to restrain any anticipated, present or continuing breach of this Article 14.
- 14.8 At any time, upon simple request of Disclosing Party, Recipient must provide to Disclosing Party all Confidential Information in Recipient's possession, custody or control. Recipient agrees to return all Confidential Information together with any copies (including but not limited to, complete or partial copies incorporated into other materials) that may have been made, promptly upon the request of Disclosing Party or, if not requested earlier, promptly after the Project has been completed or abandoned and, upon request of Disclosing Party, provide a certificate of destruction, except that Recipient may retain one copy of a document or other media for legal archival purposes, subject to protection and non-disclosure in accordance with the terms of these Standard Terms and Conditions.

15. MAINTENANCE AND OPERATING MANUALS

The Supplier shall give Owner maintenance and operating manuals and sheets for installation, operation and maintenance in English and French. These manuals shall be provided along with the drawings, diagrams and manufacturer instructions as specified in Article 11 of these Standard Terms and Conditions.

PART III - WORK CONTROL

16. FOLLOW-UP

Owner or those mandated by Owner, may at any time check the progress of the Supply and compare it to the schedule agreed upon by both Owner and Supplier. Supplier shall allow Owner and Consulting Engineer free access to its premises at reasonable times with advanced notice and shall make similar arrangements with its sub-contractors and suppliers. If Owner or Consulting Engineer judges the work to be behind schedule, it may demand that Supplier prepare and carry out, at its own expense, corrective measures to have the work back on schedule.

17. INSPECTION

- 17.1 Owner or those mandated by Owner, may at any time check the quality of the Supply and the materials used in rendering same. In order to do so, Supplier shall allow free access to its premises at reasonable times with five (5) day advanced notice and shall make similar

arrangements with its sub-contractors and suppliers. During inspections, Owner, or those mandated by Owner, may write down in an inspection report anything that is not in conformity with the specifications set out in the Contract in order to have adjustments and corrections made. Supplier shall pay for any corrections made. If in later inspections, there are still matters not in conformity with the Contract, Supplier shall be held responsible for any additional inspection costs incurred by Owner. Supplier shall be responsible for the quality of the parts purchased from other suppliers as well as for the quality of the work of its sub-contractors and suppliers. If following these inspections, Owner, or those mandated by Owner, accept the deliverables under the Contract, Supplier shall not be relieved, in any way, of its responsibility regarding quality and guarantees.

- 17.2 All tests or verifications required by the Contract or prescribed by law shall occur, upon Owner or Consulting Engineer's request, in the presence of Owner or Consulting Engineer. Supplier shall provide Owner and Consulting Engineer with sufficient notice of any such tests to allow the latter to be present. Supplier shall also provide the Representatives of Owner and Consulting Engineer an office space with a desk, a telephone line and an Internet connection.

18. MATERIAL REPLACEMENT AND EQUIVALENCE

- 18.1 Any proposal concerning material replacement and equivalence must be approved by Owner or Consulting Engineer. When such a proposal is made by Supplier, Supplier must prove that the material is at least equivalent, and Supplier must pay for it. Nothing set forth in this paragraph shall relieve Supplier, in any way, of its responsibility regarding quality and guarantees.
- 18.2 Any replacement of material, made at Owner's request, which changes the cost may necessitate a change order, according to the provisions of Article 21.

19. MODIFICATIONS

Owner may, at any time, modify the Contract as defined in Articles 20, 21, and 22. These modifications do not nullify the Contract; Supplier cannot use this as a reason to nullify the Contract and must abide by it.

20. MODIFICATION REQUEST

A modification request, duly submitted by Owner, must precede a modification order. The price submitted by Supplier following the modification request is valid for a period of sixty (60) days. A new delivery schedule for the Supply, if necessary, will be negotiated in good faith by the Parties as part of any modifications to the Contract.

21. CHANGE ORDER

- 21.1 Owner and Supplier may make modifications to the Contract without abrogating it. The amount of the Contract, deadlines and delivery schedule will be revised accordingly.
- 21.2 No modification can be made without a written modification order, issued and approved in writing by Owner and Supplier.
- 21.3 Any modification order forms an integral part of the Contract and shall be executed in accordance with the Contract Documents.

22. EVALUATION OF WORK CHANGES

The cost of each modification is determined using one or more of the following methods:

- 22.1 estimation and acceptance of a lump sum;
- 22.2 unit price mentioned in the tender form or agreed upon by the Parties;
- 22.3 the cost of labour, material and equipment plus a certain percentage agreed upon by the Parties.

PART IV - BILLING

23. BILLING

No payment can be made without an invoice from Supplier. Invoices must be sent, in triplicate, to the attention of Owner. The invoice must correspond to the price and the quantity of each delivery and, must be issued according to the terms of payment stipulated in the Purchase Order. The order number, item numbers, description, quantities, unit price, calculations and total price must be clearly marked on the invoice. Unless the Equipment is exempt from sales taxes, Supplier must list the amount of federal and provincial sales taxes separately on the invoice before calculating the total.

24. PAYMENTS

- 24.1 Once Owner, or those mandated by Owner, approves the progress of the Supply, payment will be made, by Owner, in conformity with agreed terms of payments within forty-five (45) days of receipt by Owner of an undisputed corresponding invoice.
- 24.2 No compensation or reimbursement shall be paid to Supplier for its performance under the Contract except as specifically provided in the Contract. Subject to the satisfactory performance of Supplier's obligations under the Contract, Owner shall pay the price for the Equipment and the Supply rendered in accordance with the aforementioned conditions. Payment shall however be subordinate to remittance by Supplier, upon Owner's request, of a satisfactory lien waiver, including any construction lien or other legal hypothec. Owner may retain any amount necessary to satisfy any such lien filed by a supplier or sub-contractor of Supplier (collectively "Lien Amounts") unless remedied by Supplier through full payment of such Lien Amounts or delivery of performance bond covering Lien Amounts, and subject to delivery to Owner of satisfactory evidence, in Owner's sole discretion, of such payment of Lien Amounts or delivery of performance bonds covering the Lien Amounts.
- 24.3 Supplier will deliver to Owner an irrevocable advance payment guarantee issued by an acceptable bank or insurty company, in form acceptable to the Owner, for advance progress payments. The value of the advance payment guarantee outstanding value will diminish pro-rata upon shipment of deliverables in accordance with agreed Incoterms 2010.
- 24.4 Owner will proceed to the final payment only after having received from Supplier at least each of the following documents:
 - 24.4.1 Technical documents stipulated in the Contract.
 - 24.4.2 Operation and maintenance manuals in accordance with the requested quality standards. A "pdf" file of all the documentation related to the operation and maintenance manuals, including all drawings revised according to the work performed.

24.4.3 "As built" drawings.

24.4.4 Complete and final waiver of any Losses whichever the nature, deriving directly or indirectly from the Contract as well as from any related work performed, to Owner's complete satisfaction.

PART V - DISAGREEMENTS AND TERMINATION

25. REGULATIONS CONCERNING DISAGREEMENTS

25.1 If a disagreement arises concerning the interpretation of any Contract Document, either Party may send a written notice of such a disagreement to the other Party. The Parties shall use their best efforts to settle amicably all disagreements arising out of or in connection with the interpretation of any Contract Document. In the event that the Parties cannot settle the dispute amicably within a fourteen (14) day delay starting from the receipt of said written notice by the other Party, either Party, in lieu of litigation, shall then refer the disagreement to arbitration to be administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules modified as follows:

25.1.1 The place of the arbitration shall be Cleveland, Ohio, United States.

25.1.2 Unless the parties consent in writing to a lesser number, the arbitration proceedings shall be conducted before a panel of three neutral arbitrators, one to be appointed by Owner, one to be appointed by Supplier, and a third to be selected by the two Party-appointed arbitrators. None of the arbitrators shall be an employee, officer, director or consultant of, or of a direct competitor of, Owner or Supplier.

25.1.3 In connection with any arbitration under this Agreement, the arbitrators shall have no authority to alter, amend, or modify any of the terms and conditions of any Contract Document, and further, the arbitrators may not enter any award that alters, amends, or modifies terms or conditions of any Contract Document in any form or manner.

25.1.4 The award or decision shall be made within nine months of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment; provided, however, that this time limit may be extended by written agreement signed by both parties, if necessary.

25.1.5 In connection with any arbitration under this Agreement, each Party shall be responsible for its own costs and expenses, and the Parties will equally split the cost of conducting the arbitration itself.

25.2 Either Party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

- 25.3 The judgment of the arbitrators shall be final and binding on the Parties, and judgment upon the award rendered by the arbitrators may be entered and enforced by any court of the United States any state court thereof, or any Canadian court.
- 25.4 Notwithstanding said disagreement, Supplier shall diligently pursue its activities under the Contract. The fact that Supplier continues working on the Project does not constitute a renunciation of its rights and/or its recourse.

26. DEFAULT OF SUPPLIER

If Owner believes that Supplier is in breach of a provision of the Contract or is not fulfilling an obligation set forth in the Contract or, without limiting the generality of the foregoing, if Supplier:

- 26.1 is behind schedule in the delivery of any of the critical path deliverables (i.e., items that directly affect the construction schedule that do not have any time flexibility—to be defined by Supplier in the delivery schedule based upon Owner's construction schedule) under the Contract and such delay exceeds four weeks.
- 26.2 refuses or fails to make the corrections and adjustments required by Owner or Consulting Engineer;
- 26.3 in spite of Owner or Consulting Engineer instructions to the contrary, has the Supply done, in totality or in part, by third party contractors, which detrimentally affects the quality of the Supply;
- 26.4 contravenes the laws, decrees, regulations or orders imposed upon it;
- 26.5 does not allow Owner and Consulting Engineer proper supervision in compliance with the terms of the Contract;
- 26.6 declares bankruptcy, makes a proposal, or becomes insolvent; or
- 26.7 abandons the Supply,

Owner may advise Supplier of any of these violations and order same, if the default can be cured, to correct them immediately. If (i) Supplier does not respond to this order with a definitive recovery plan acceptable to the Owner within ten (10) working days of receiving this notice; or (ii) the default cannot be cured, Owner may terminate the Contract without further notice or delay. Notwithstanding the termination of the Contract by Owner, Supplier is, nevertheless, not freed from any contractual or legal obligation, except from the obligation of completing the physical work. Within a reasonable delay starting from the termination of the Contract, Owner will assess the value of each component of the equipment received by Owner, if any, and will establish in writing a detailed breakdown thereof, copy of which shall be remitted to Supplier. Value shall be established from priced copies of purchase orders provided by Supplier plus reasonable overhead. Alternatively, Owner may return to Supplier, in totality or in part, any component that has no value for Owner or which it does not want to pay for. If the aggregate payments made by Owner to Supplier exceed the value of any said components of the equipment established by Owner and retained by same, Supplier shall immediately reimburse Owner the difference. Notwithstanding the foregoing, Owner shall be entitled to claim any and all Losses it may have suffered from the breach of the Contract by Supplier and resulting from termination thereof by Owner.

27. UNILATERAL TERMINATION OF THE CONTRACT

Owner may, at any time, unilaterally terminate the Contract without cause simply by giving Supplier written notice. In such event, Owner shall pay Supplier all direct labor and material costs incurred on the Work that is

subject to such termination prior to such notice, plus any reasonable unavoidable cancellation costs which Supplier may incur as a result of such termination, plus indirect costs or overhead on the portion of the Work completed, computed in accordance with generally accepted accounting principles less salvage value. As an alternative to salvage value reduction, Owner shall have the right in its sole discretion to take possession of all or part of the Work.

28. FORCE MAJEURE

Neither Owner nor Supplier shall be liable to the other for loss, damage, delay in the completion of the Project or non-performance of any contractual obligation set forth in the Contract caused by acts of God, war, riot, the act or order of any competent civil or military authority, fire, flood or by any other cause which is unavoidable and beyond the Party's reasonable control. Both Parties shall be prompt in restoring normal conditions, re-establishing schedules and resuming operations as soon as the interruptions have ceased. In the case of an event of force majeure, the Party claiming the benefit of the event of force majeure shall, within seventy two (72) hours of the occurrence of the event of force majeure, give the other Party written notice thereof, and a description of the full particulars of the event and the cause or causes of the event. The notice shall describe with particularity the actions that the Party giving the notice intends to take to resolve the event of force majeure as soon as reasonably possible. In no event shall Supplier be entitled to any increase in the price of the Contract as a result of any event of force majeure. Force majeure shall not include financial distress, insolvency, bankruptcy, or other similar conditions affecting one of the Parties and/or its Affiliates and/or sub-contractors. Should the affected Party be unable to resume performance within thirty (30) days, the non-affected Party shall be entitled to terminate Contract by giving a written notice to the other Party confirming its election to terminate the Contract, which termination shall take effect on the date of the delivery of such notice or later on as specified in such notice.

29. LIQUIDATED DAMAGES

29.1 In the event Supplier fails to fulfill its obligation relative to the final delivery date (as specified in Exhibit C of the Purchase Agreement), the Parties agree that the calculations of actual damages for such late delivery would be extremely difficult and impractical to forecast. Supplier therefore agrees that as liquidated damages, and not as a penalty, Supplier shall pay Owner the amount of \$5,000, for each day of late delivery, up to a limit of ten (10%) of the purchase price of each separate deliverable set forth in the Contract. The liquidated damages will begin on the first day that the final delivery is late, and will be assessed from that date. Missing or defective parts that miss final delivery date but do not delay installation or startup shall not result in application of liquidated damages.

29.2 Notwithstanding the foregoing, nothing set forth in this Section 29 shall prevent Owner to terminate the Contract in conformity with the provisions of Section 26 of these Standard Terms and Conditions.

30. SURVIVAL

The parties agree that the covenants and obligations contained in Sections 6, 8, 10, 14, 26, 29 and 30 shall survive the expiration or termination, for any reason whatsoever, of the Contract.

PART VI – SPECIFIC CONDITIONS

31. EQUIPMENT PREPARATION, SHIPMENT AND STORAGE CONDITIONS

31.1 Factory Assembly

The Equipment shall be fully assembled to the greatest practical extent, adjusted and thoroughly tested in Supplier's factory. Minimum disassembly will be done to accommodate shipping clearance restrictions. Whenever practical, a fully assembled unit shall be shipped.

31.2 Packaging and Storage Conditions

All items shall be prepared and packed in suitable lots for shipment. In all cases, Supplier is solely responsible for the quality of the packing material. Supplier shall rectify any damage to the Equipment incurred in transit attributable to packaging.

Supplier shall ensure that the Equipment is thoroughly cleaned prior to shipping.

All items shall be protected against deterioration during transportation and outdoor storage. The packing shall be able to resist long periods of storage that could extend for several months under extreme weather conditions. Supplier shall be responsible to suitably protect and pack all items for delivery to Owner's loading point and Owner shall be responsible to provide suitable protection and packing thereafter.

Maximum transportable dimension and weight shall be considered during the design. Supplier shall be responsible for ascertaining bridge, road, rail and/or waterway limits as they affect Supplier's proposed means of transportation to the Owner's loading point.

At any time, Owner or Consulting Engineer may reject any packing or marking deemed to be non-conforming to the packing standards set out in the Contract.

If the packing is rejected, Owner or Consulting Engineer is entitled to have it re-done at the expense of the Supplier, and the latter will not have the right to claim reimbursement of the incurred expenses.

Packing shall resist all risks associated to numerous handling with gravel roads, fork lift, cranes (slings), etc.

All the different types of handling shall be taken into consideration for the packing design. Material handling shall be made easy.

Storage instructions must be given to Consulting Engineer along with the factory drawings.

31.3 Marking

All the crates or packages shall be marked at least on two (2) opposite sides. The marking shall be in English and shall also be as large as the available space on the crates (or packages) allows, without exceeding a height of 100 mm. If shipment tags are to be used, they shall be printed or typed and shall be solidly attached to the wooden surface by means of staples, nails or tacks. If this is not possible, they shall be fastened with metallic wire or a solid rope (tags shall be waterproof).

Every delivery must be accompanied by a packing list, in duplicate inside a waterproof envelope attached to any parcel or box, clearly listing the items delivered, item tag numbers, quantities, order number and item numbers. Any delivery not conforming to the above conditions may be refused.

Package marking shall be as follows:

Contract #:

Item #: Piece #:

Dimension:

L W H CMS

Gross Wt:

Box Packing List:

Temporary marking (tag) of the equipment within each packing box should be as follows:

Supplier Job #:

Customer:

Customer P.O. #:

Tag item #:

Part #:

Description: (As indicated by the Consulting Engineer)

Equipment: (As indicated by the Consulting Engineer)

Quantity: x of y

Assembly #:

31.4 Delivery

The Equipment shall be delivered to and/or Supply rendered at the Supplier's plant site or at Owners site as determined by the Contract as set out by Incoterms 2010. Supplier shall consider regulations on traffic load limits during thaw periods and take any required action to meet them.

Upon shipment, one (1) set of instruction manuals, drawings and other pertinent information, including mounting details, shall be provided in a weatherproof envelope with the Equipment.

31.5 Handling and Unloading

Supplier has the responsibility to supply all the necessary rigging and loading information. Special loading tools shall be provided by Supplier

The rigging and loading specifications provided by Supplier shall be compliant with all appropriate Canadian security standards and paragraph 5 of this section.

Rigging and unloading certified documents, including procedures and drawings, shall be given to Consulting Engineer for review along with the shop drawings.

31.6 Shipping

The shipping address is:

Project Site – Town of Fermont (Bloom Lake property), Province of Quebec, Canada

Seven (7) days before the planned shipping date at the latest, advise Owner and provide the following information:

Date and hour of delivery;

Type of truck and number of units (pallets or skids) required; and

Weight and volume of units.

31.7 Equipment Permanent ID Plate (Tag)

31.7.1 A permanent identification plate (stainless steel 304, 1/8 inch thick) shall be affixed permanently to each piece of equipment.

31.7.2 Letter height shall not be less than 20 mm (3/4 inch). This plate shall be as follows:

Equipment #: (As indicated by Consulting Engineer)

Description: (As indicated by Consulting Engineer)

32. SENSITIVE MATERIALS

Material safety data sheets (MSDS) are required for all registered substances supplied with the Equipment and bulk materials delivered to the Project.

Use of undesirable (environmental and health sensitive) materials such as polychlorinated biphenyls (PCBs), chlorofluorocarbons (CFCs), asbestos, formaldehyde insulation, Halon and lead-based paints etc. is prohibited.

33. GUARANTEE

Supplier guarantees the Equipment in accordance with these Standard Terms and Conditions.

A quality plan shall be submitted by Supplier through its proposal. It shall be reviewed and accepted by Consulting Engineer and shall contain namely all major tests that are planned to be performed by Supplier during fabrication.

During testing, should any material or equipment be deemed non compliant with the specification data or applicable codes and standards, or show a variation higher than the admissible tolerance, this material or equipment shall be considered non compliant with the contractual obligations and can thus be rejected by Owner. Four weeks shall be allowed to replace non-compliant equipment without application of Liquidated Damages (for standard (off the shelf) components, and 12 weeks for non-standard).

34. SUPPLIER EXECUTION SCHEDULE

The work execution schedule shall conform to the delivery dates agreed upon in the Contract.

Review, express or implied, of this schedule by Consulting Engineer does not entail for Consulting Engineer or Owner any obligation or responsibility towards Supplier, does not lessen the latter's obligations and responsibilities and does not in any way modify the contractual terms.

Supplier shall submit every month, at the date or frequency specified by Owner, a progress report which shall include the updated work execution schedule showing the actual work status for each deliverable. Project plan including as a minimum (scope, schedule, procurement plan, quality plan, communication plan) shall be provided. Scope, schedule and communication plan to be provided within two (2) weeks, balance within six (6) weeks. Progress Reports including schedule updates shall be provided on a minimum monthly basis and, 2 months before the final delivery date shall be delivered on a biweekly basis.

Supplier shall provide evidences showing the actual work status (photos, calculation notes, etc.).

The report shall state the measures Supplier intends to take to correct any eventual delays.

35. DRAWINGS AND DOCUMENTATION

Supplier shall provide all drawings, documents and information as required for electrical, mechanical, civil, structural and hydraulic installation and maintenance.

36. QUALITY

36.1 Quality Assurance and Quality Control

The Supplier shall establish and maintain an inspection program for quality assurance complying with ISO-9001 standard or equivalent (the "Quality Plan") to be approved by Owner or the Consulting Engineer, which approval shall not be unreasonably withheld.

Supplier shall ensure quality control for all activities under the Contract, such as the design, manufacturing, installation, mounting or construction. The Quality Plan implemented by Supplier shall include the activities performed by the sub-contractors and their supervision. Furthermore, any sub-contractor acting as designer or supplier under the Contract shall comply with the applicable standards. Therefore, these sub-contractors shall each elaborate their quality plan which shall be integrated with Supplier's own Quality Plan.

If, according to Owner or the Consulting Engineer, Supplier is non compliant with the Quality Plan, it shall advise Supplier who shall at its sole expense correct any non-compliance.

36.2 Testing and Test Reports

(i) General

Supplier shall be responsible for all inspections and testing as required by the applicable laws. Supplier may use its own personnel and facilities or any independent testing organization acceptable to the federal and provincial agencies, and Owner. Owner reserves the right at Owner's sole cost to witness or perform any of the tests to verify the quality control. However, this will not relieve Supplier from the responsibility of any inspection and testing.

Owner may at any time, on reasonable notice, request a verification of the quality of fabrication, installation or material by requesting that the appropriate test be performed and /or supporting documentation be produced.

All components shall be fully tested in accordance with the relevant standards before their installation.

The Equipment and auxiliaries shall be shop assembled to the greatest practical extent, prior to inspection and delivery to the site.

Tests shall be made in accordance with the applicable standards set out in the Contract and all parts shall successfully withstand the tests. Production tests shall be performed as set out in the Contract.

Supplier shall provide to Owner a monthly report listing all minor non-conformities detected and remedy actions undertaken.

Supplier shall notify Owner expeditiously in writing of the detection of all manufacturing major non-conformances. Notice of a major non-conformance shall include proposed actions intended to remedy the non-conformance. Supplier shall not initiate remedial actions without the review of Owner. Should the proposed remedial actions be deemed inadequate by Owner, the required industrial standard procedure to correct the non-conformance shall be carried out by Supplier.

Additional tests may be specifically required by Owner in the technical specification section of the Contract Documents.

(ii) Witness

Owner reserves the right to witness any or all tests, plus any quality control tests performed, at no additional cost. Sufficient notification shall be given to allow Owner's Representatives to be present for the tests as defined in the schedule. A minimum of fifteen (15) working days shall be allowed when the facility where the tests are to be performed is located in Canada and a minimum of thirty (30) working days when such a facility is located outside Canada.

(iii) Failure to Pass Tests

If the Equipment fails to meet the test requirements of the standards, Owner shall be notified expeditiously and reserves the right to refuse the Equipment until defects are remedied.

(iv) Test Reports

Supplier shall use its best efforts to provide hand-written results of tests to Owner within two (2) days after completion of the tests and certified test reports within ten (10) days after completion of the tests (in two (2) copies).

37. METRIC SYSTEM

All instruments shall be calibrated and have their scales marked in the International System of Units known as SI (meter - kilogram - second).

All construction drawings and specifications, including building and equipment dimensions, mechanical arrangements and civil drawings, shall use SI units, except when the equipment's original manufacturing units are in Imperial Units, in which case, dimensions shall be referred to on the drawings and specifications in Imperial Units. Soft conversion of Imperial dimensions is not permitted except when the equipment's original manufacturing units are in Imperial Units.

38. PERFORMANCE TESTING

The Equipment shall be accepted upon satisfactory performance test results, as described and requested in the Contract and as follows:

- (i) When test results of the first performance testing do not meet the Contract requirements or the performance indicated in Supplier's quotation, Supplier shall make the necessary modifications at his own expense, as required by and to the satisfaction of Owner. Preliminary acceptance of the Equipment is then cancelled and a second performance testing shall be performed within the next fifteen (15) working days or as agreed by both parties.
- (ii) If the test results of the second performance testing are still not acceptable by Owner, and if further modifications by Supplier are required, the additional costs for testing shall be at Supplier's expense.
- (iii) In case of disagreement between Owner and Supplier with regard to test result interpretation, additional testing shall be performed by an independent contractor. The related costs shall be charged to the party being at fault.
- (iv) Owner shall allow Supplier access to the equipment and shall ensure adequate materials (iron ore) required for the performance test. Performance test shall demonstrate the conveyor(s) meets design capacity averaged over four hours of continuous operation.

39. DOCUMENT AND EQUIPMENT NUMBERING

Supplier shall number the supplied equipment assembly and sub-assembly in accordance with the numbering system that will be provided by Owner. Supplier is responsible to ensure the implementation of the numbering system throughout the project, in drawings, documents, equipment ID tags, etc.

HBdocs - 52

8302127.3

THIS AGREEMENT is made effective as of the ..1..... day of *Oct.*, 2011, between **The Bloom Lake Iron Ore Mine Limited Partnership**, by and through its General Partner, Bloom Lake General Partner Limited ("Buyer") and **Beumer Corporation** ("Seller").

Intending to be legally bound, the parties agree as follows:

1. SALE OF EQUIPMENT

Buyer agrees to purchase from Seller, an under cover tripper conveyor and an ore storage building designed to accept material from the Beumer OLC conveyor purchased under a separate contract (the "Systems," each individually described in the **Scope of Work**, attached as **Exhibit A**). Buyer agrees to purchase the Systems from Seller on the terms and conditions set forth herein as well as the terms and conditions set forth in the **Standard Terms and Conditions – Purchasing of Equipment**, attached as **Exhibit B**, which is incorporated herein by reference.

2. PURCHASE PRICE

The total purchase price (the "Purchase Price") for the Systems is as itemized on **Exhibit C**, is exclusive of freight duties, applicable sales/use taxes, interest and exchange rate rollover costs, and similar fees or charges, and will be payable in accordance with the payment schedule detailed on **Exhibit C**.

3. DELIVERY SCHEDULE

Seller will deliver the Systems to the agreed-upon location (the "Mine") in accordance with the delivery schedule on **Exhibit C**.

4. INITIAL SPARE PARTS (Commissioning Spares)

To be provided with the overland conveyor under a separate agreement.

5. CRITICAL SPARES

Seller will take all reasonable steps ensure that critical components are available for warranty replacement or non-warranty replacement (as applicable) in a timely fashion. Seller and Buyer will jointly develop a list of such critical components.

6. FUTURE SPARE PARTS AND REBUILDS

Seller and Buyer will mutually agree on pricing for rebuilds and spare parts at time of Systems start up. Pricing during the initial year of operation of the first System will not exceed pricing agreed at Systems start up for the same items (or similar items in the case of updated or redesigned parts) being purchased as of the date of this Agreement.

7. PAYMENT TERMS

Payment terms for spare parts, service/exchange components, and other goods and services will be 2% 10 Net 45. The 2% discount will not apply to invoices issued during any period when Buyer's account is not current. Buyer's account is considered current when

PURCHASE AGREEMENT

there are no outstanding overdue (i.e. unpaid for greater than 45 days) payments. Disputed charges will not be considered overdue but will not be eligible for the 2% discount.

8. REPORTING

Seller and Buyer will meet quarterly until Systems start up to discuss any issues relating to the Systems. During all project stages, including engineering and manufacturing, Seller will provide Buyer with monthly progress reports.

9. CANCELLATION AND TERMINATION

- 9.1 If Buyer cancels all or part of its order for the Systems for any reason, (including paragraph 9.3 below), Buyer will pay and/or reimburse Seller for its actual costs and expenses reasonably incurred in connection with processing the cancelled Systems through the effective date of cancellation (per the notice requirements below). Buyer shall not be responsible for any additional damages, including consequential damages, which may arise from the cancellation. All cancellations must be made on at least 30 days prior written notice to Seller. All amounts owing to Seller for cancellation by Buyer are due within 45 days of the date of Seller' invoice.
- 9.2 Seller shall provide detailed invoices, bills of lading, purchase orders and/or other forms of independent written proof reasonably satisfactory to Buyer as verification of the actual costs and expenses reasonably incurred as a result of Buyer's cancellation.
- 9.3 Buyer, in addition to Buyer's other rights and remedies, reserves the right to terminate the Agreement or any applicable Service Request immediately, without further payment obligations if, in the discretion of Buyer, Seller has failed to enforce or comply with applicable safety, health, environmental or other laws, regulations, policies, requirements, or rules

10. DRAWINGS AND PROTOTYPE INSPECTION

Seller agrees to use reasonable commercial efforts to deliver to Buyer no later than 30 June, 2012, engineering arrangement drawings and erection information for the Systems. Buyer agrees to provide Seller with written approval of all drawings submitted by Seller within 10 business days of their submission (or re-submission in the event Buyer notifies Seller in writing within an earlier approval period that any drawings are not approved.)

11. TRAINING AND SERVICE

- 11.1 Seller will provide training for Buyer's qualified technicians concerning the proper operation and maintenance of the Systems as set forth in **Exhibit E** of the overland conveyor supply contract, attached hereto and incorporated herein by reference.
- 11.2 Seller will provide Service in connection with the installation supervision, start-up and initial period of operation of the Systems, as set forth in

PURCHASE AGREEMENT

Exhibit E of the overland conveyor supply contract attached hereto and incorporated herein by reference.

12. COMPLIANCE WITH APPLICABLE LAWS AND COMPANY RULES

Seller shall comply with: (i) Buyer safety rules and other rules set forth on Exhibit F attached hereto or otherwise provided to Seller by Buyer and (ii) all applicable laws, rules, regulations, orders and/or permits in effect at the time Buyer provides a Service Request or the Services are performed, which, to the best of its knowledge, information, and belief, apply to the respective obligations of Seller pursuant to the Agreement.

Buyer shall pay for any reasonable charges from Seller for Services required on the part of Seller to comply with rules, laws or regulations (a) which become effective after the execution of the Agreement and (b) which could not have been reasonably anticipated in the quote for the Services.

13. NOTICES

All notices to the parties under this Agreement will be in writing, delivered in person or sent via facsimile, certified mail or an express mail carrier, and directed as follows:

TO Buyer:

Pascal Vallée
Directeur de Projet & Améliorations
The Bloom Lake Iron Ore Mine Limited Partnership
1115 Rue University, Suite 508
Montréal, Québec H3B 3A7
Canada
Tel. 514.895.5116
Fax. 514.393.9041

with copy to:

Cliffs Natural Resources Inc.
ATTN: North American Legal Department
1100 Superior Avenue, Suite 1500
Cleveland, Ohio 44114
Tel. 216.694.5700
Fax. 216.694.6741

TO Seller:

Brad Williams – Director of Projects
Beumer Kansas City
4435 Main St, Suite 750
Kansas City, MO 64111
Tel. 816.245.7249
Fax. 816.605.1693

PURCHASE AGREEMENT

Any such notices will be deemed received when placed in the U.S. Mail (certified mail) or to an express mail carrier, when personally delivered.

14. MISCELLANEOUS

- 14.1 Assignment. Neither this Agreement nor any right, interest or obligation hereunder may be assigned, pledged or otherwise transferred by any party, whether by operation of law or otherwise, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Refusal of Buyer to consent to any less than full Assignment of this agreement to another entity (for example, and not by way of limitation, if Seller were purchased or acquired by another company) shall not be considered as consent unreasonably withheld.
- 14.2 Waivers. The due performance or observance by the parties of their respective obligations hereunder will not be waived, and the rights and remedies of the parties hereunder will not be affected, by any course of dealing or performance or by any delay or failure of any party in exercising any such right or remedy. The due performance or observance by a party of any of its obligations hereunder may be waived only by a writing signed by the party against whom enforcement of such waiver is sought, and any such waiver will be effective only to the extent specifically set forth in such writing.
- 14.3 No Agency. Neither party is or will be an employee, agent, representative, joint venturer or partner of the other party, but each is and will remain an independent contractor. Without limiting the generality of the foregoing, the parties agree that Seller is an independent contractor in the performance of each and every part of this Agreement. Seller will have full and complete control as an independent contractor of its activities and operations, and those of any of its subcontractors under this Agreement. Seller's employees will be deemed for all purposes the employees of Seller and subject to Seller's sole and exclusive direction, supervision and control.
- 14.4 Agreement. The provisions of this Agreement (including all attached Exhibits and other referenced documents, which are incorporated by reference herein) are intended by the parties as the final expression of their agreement and are the complete and exclusive statement of the terms of their agreement superseding all previous or simultaneous communications whether oral or written. This Agreement cannot be modified or rescinded in any way except in a writing signed by the party against whom enforcement of such modification or rescission is being sought, nor will this Agreement be modified, rescinded or altered by any subsequent course of conduct or dealing between the parties. In case of a conflict between this Agreement and the terms of a purchase order from Buyer, the terms of this Agreement will control and prevail.
- 14.5 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.
- 14.6 Governing Law. Any disputes arising out of or in conjunction with this Agreement shall be adjudicated in the local, state or federal courts of Cleveland, Ohio and shall be interpreted in accordance with the laws of the State of Ohio and for all purposes will be governed by and construed and enforced in accordance with the laws of the State of Ohio.

PURCHASE AGREEMENT

- 14.7 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts, and by each of the parties on separate counterparts, each of which, when so executed, will be deemed an original, but all of which will constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail will be equally as effective as delivery of a manually executed counterpart of this Agreement.
- 14.8 Successors and Assigns. This Agreement will be binding upon and will inure to the benefit of each of the parties and their respective heirs, successors and permitted assigns.
- 14.9 Software. For software components of the Systems, the terms "purchased" or "sold" as used herein mean "licensed" subject to the following: (i) Seller hereby grants to Buyer a perpetual, non-exclusive, fully paid-up world-wide license to use any and all software components of the Systems, and (ii) Buyer may install software on back-up or replacement hardware as long as the total number of software copies in use at any time does not exceed the number originally installed.

EXECUTED THIS DAY AND YEAR FIRST ABOVE WRITTEN.

The Bloom Lake Iron Ore Mine Limited Partnership
by its General Partner, Bloom Lake General Partner Limited

By: David B. Blake

Title: President

Beumer Corporation

By: Simon Shipp

Title: Vice President

PURCHASE AGREEMENT

Exhibit A – Purchased Equipment (Statement Of Work)

One (1) 72" BW (1830mm) Tripper Conveyor rated at 6,000 TPH complete with supports, rail, skirtboard, idlers and vertical gravity take-up. Conveyor includes guarding and safety switches.

One (1) 72" BW (1830mm) Tripper Car complete with dual discharge chute, two (2) traverse drives and Ingus Energy Chain w/chainflex cables

One (1) Storage Structure over ore stockpile with optional escape stairways as per Exhibit C.

One (1) Labor Services as follows

Installation Support Day shift 12 hour working day 1 technician	28 weeks
Pre Start up Inspections 12 hour working day 1 technician	2 week
Dry start up 12 hour working day 1 technician	2 weeks
Material start up 12 hour working day 2 technicians	3 weeks
Operational support 24 hours	12 weeks
Operational support 12 hour working day 1 technician	30 weeks

Beumer supplies labor service only. Travel inside Canada, accommodation, food and local transport

Will be supplied by Cliffs or billable at cost.

Beumer's scope of work does not include the items listed under Specification S05539C-P25601-45W-WPF-001 Section 2.2 Work Excluded, Transportation cost, motors over 200 HP and motor starters.

Structural Steel and mechanical fabrication shall be cleaned per SSPC-SP6 and painted with a two (2) coat paint system consisting of:

Primer – Sherwin Williams Macropoxy® HS High Solids Epoxy 3 – 4 mils dft

Finish – Sherwin Williams Hi-Solids Polyurethane 3 – 4 mils dft

Mechanical components will be supplied with manufacture's standard finish.

Controls

PLC software engineering for electrical control system for Tripper Conveyor

Control technology design approach and determination

Functional descriptions and operating narrative for complete control system

Kick off meeting and control design requirements appraisal

FAT at drive supplier

Integration testing for PLC prior to delivery

PLC software simulation testing

PLC software based on Schneider System Quantum with PLC Software Unity

3 weeks onsite additional commissioning time based on day shift 12 hour working days for start up (accommodation, meals and travel inside Canada paid by Cliffs)

PURCHASE AGREEMENT

Note: Approach to Preassembly

Beumer is planning to add execution of preassembly for the conveyor sections at the Cliffs proposed assembly shop (Fransi Construction) in Baie Comeau. The preassembly will be managed by Beumer and the approved steel fabricator to enable aggressive reductions in installation time to be achieved.

Beumer intends at this time to present an offer to preassemble the equipment and we are reviewing Cost + Options, see pricing table Exhibit C.

All freight associated with material and components to the job site or pre-assembly shop will be presented at a cost + rate to be decided to cover logistics management, overhead and profit. Freight and logistics from pre assembly to job site will be responsibility of Cliffs.

Beumer and Cliffs will jointly agree a change order or separate service order to cover preassembly, freight and logistics.

Shipping to jobsite or Pre Assembly site in Canada (See Note Above)

- Mechanical equipment will be prepared for shipment by the manufacturers per their standard packaging.
- Conveyor drives will be prepared for shipment with reducer, motor and couplings mounted to a common base plate.
- Pulleys will have pillow block bearing assembled.
- Belting will be packaged with open sided steel HexPak reels, with protective circumferential wrap and steel banding.
- Switches will be shipped loose for field installation or preassembly shop.
- Idlers for the Tripper Conveyor will be prepared for shipment on pallets with rolls installed.
- Chutes and skirtboards will be shipped with liners installed.
- Tripper shall be assembled to the extent allowed for standard shipping, Typical assembly includes wheel and axles with traverse drives, pulleys, idlers and switches. Access walkways and upper chute section are field assembled.

Points of Shipment

Tripper Conveyor:

FCA Pella, IA, USA / FCA Wallaceburg, ON, Canada
Idlers, Pulleys

FCA Marysville, OH, USA
Belting

FCA Elgin, IL, USA
Hood Covers

FCA Lyman, SC, USA
Drive Units

PURCHASE AGREEMENT

FCA Pickneyville, IL, USA
Walkway Grating

FCA Neponset, IL, USA
Belt Cleaners

FCA Cullman, AL, USA
Steel Structures

FCA Elgin, IL, USA
Roofing & Siding

FCA Minneapolis, MN, USA
Electrical Devices

Vendor List

Tripper Conveyor

Main drive motor:	by others
Speed reducer:	SEW
High speed coupling:	SEW
Low speed coupling:	SEW
Creep drive unit:	SEW
Belting:	Veyance
Idlers:	Precismeca
Pulleys:	Precision Pulley & Idler / Dodge

Note: Beumer will appraise and support a full investigation for the option to use Enduride idlers. Beumer will work with Cliffs to create comparison between existing approved supply options and Enduride. Beumer will work with Cliffs to achieve the most competitive and technically competent supplier solution.

Beumer will supply technical appraisal and comparison data including cost effect differences for the idler options. Decision of supplier will be jointly agreed by Cliffs and Beumer.

Technical Exceptions and Clarifications

Data Sheets S05539C-P25601-45W-DSH-001, 002 and 003

Safety Devices and Accessories – Seal belt, welding plug at ends and calibration chain are not included.

Specification S05539C-P25601-45W-SFA-001

Section 2.1 – Conveyors are designed for -40 degrees Celsius, restarting a fully loaded conveyor after an extended period below -20 degree Celsius may not be possible due to the increased resistance in the bearings of the idler rollers.

Section 2.2.3 – Tripper does not include a reversible cross belt conveyor. Tripper is supplied with a dual discharge chute.

PURCHASE AGREEMENT

Specification S05539C-P25601-45W-WPF-001

Section 2.1 – Conveyors will be dressed with necessary instrumentation with standard terminal blocks.

Specification S05539C-02000-45E-DCR-002

Section 3.1 – Tripper Conveyor belt speed shall not exceed 3 m/s.

– Belt reeling stands and reels are not included.

Section 3.2.1 – Grease will be ESSO Epic EP102 or equal

– Rollers will be supplied with deep grooved ball bearings

Section 3.2.2 – Idlers for Sacrificial and Tripper Conveyors shall be 35 degree with maximum spacing of 0.914m (3 ft.).

Section 3.8 – All belting included shall have covers of Grade I.

Section 3.13 – No fire protection system is included. Mobil water tank, etc to meet FM Global Data Sheet 7-11 shall be supplied by others.

Section 3.17 – Side guide rollers will not be used, an additional fourth roller will be utilized to prevent belt buckling and folding over.

Section 5.0 – "GAS Loaded" Tensioners are not available with Martin Engineering products, standard spring tensioners are included.

Specification S05539C-P25601-48W-SFG-001

Section 4.0 – Cable tray shall be located under the Conveyors supported at 3m. Mounting hardware and cable tray supplied by others. The main motors for the Tripper Conveyor are supplied by others including all motor starters and Variable Frequency Drives. The creep drive motors are supplied by Beumer.

Section 7.8 – Target for tripper car position laser is not included. For distances less than 250m, no reflector is required. Tripper travel in this instance is 120m. The tripper head chute could be the target. If a reflector is required it should be purchased with the device and mounted to the head chute of the tripper.

PURCHASE AGREEMENT

Exhibit B – Terms and Conditions

Contained in CT-Beumer Terms and Conditions appended to the Purchase Agreement under separate cover.

PURCHASE AGREEMENT

Exhibit C – Payment and Delivery Schedule

1.0	Tripper Conveyor Equipment no #2420-5251-004 including storage shed	
	Mechanical	\$697,149
	Structural	\$12,490,680
	Engineering	\$503,098
1.1	Additions / Deletions of Previously Discussed Options	
	Supply second secondary cleaner for all conveyors	\$3,950
	Design and supply of a stair tower at north end of the Ore Storage Shed	\$181,200
	Add siding and roofing, flashing, man doors, etc.	
	Deduct to delete roofing and siding from scope, Beumer will supply roof purlins for TT and girts for storage shed	(\$562,000)
	Enclose the ends of the Ore Storage Building	\$953,115
1.2	Additional Items resulting from progress meetings	
	Provide escape ways to ore storage shed	See Escape Way Options Below Total
1.3	Savings Offered	
	Supply Precismeca idler rolls	(\$127,800)
	Use Sherwin-Williams Paint	(\$39,000)
1.4	Controls	\$87,685
1.5	Pre-assembly	T.B.D. Beumer Reviewing cost+ options in progress
1.6	Freight	Cost + in progress
1.7	Subtotal	\$14,188,077
2.1	Additional Items resulting from progress meetings	
	Applicable flat Daily Rate for 2012 labor services \$1550 for 12 hour days over the labor contained within the lump sum contract.	
3.0	Total	\$14,188,077
4.0	Escape Way Option One Consisting of modification and additional steel to ore storage	\$4,985,400 lump sum offer

PURCHASE AGREEMENT

	building design. Reinforcement of roof to storage building. Design change is and steel to accommodate interior walkways, frames and exterior walkways. Interior and exterior walkways with grip strut and handrail. Modification of design and additional engineering.	Beumer is reviewing cost + options also in progress
5.0	Escape Way Option Two 8 additional walkways and 8 intermediate stair towers to provide egress from building (emergency escape) Reinforcement of roof truss steel to building Additional costs for walkway steel, access towers, engineering and design costs	\$2,683,000 lump sum offer Beumer is reviewing cost + options also in progress
6.0	Items Not Supplied by Beumer <ul style="list-style-type: none"> • Belt Splicing kits • Supply Sensor Guard Rip Detection • Intermediate stair tower with walkway bridge at ore storage building • Siding, roofing, flashing and man door access 	

1. Schedule of payment for the project (main supply contract)

- 10% down payment
- 5% with submitted engineering documents (conveyor route drawing and NTE loads information)
- 25% against purchase and procurement commencement
- 50% through delivery phase (Monthly invoicing)
- 5% at equipment start up, payment date not to exceed Dec 31st 2012
- 5% Acceptance test passed, payment date not to exceed April 30th 2013

10% of each invoice will be retained.

2. Payment for Additional Site Labor (labor not contained within lump sum contract)

- Site hours shown in Exhibit A will be deducted from the lump sum amount that is included in contract. Time sheets will be presented weekly.
- Site labor in excess of lump sum contract hours will presented on time sheets weekly for client approval at agreed flat rate.
- Invoicing for additional labor hours beyond contract or for labor services supplied in addition to contract will be invoiced monthly at Cliffs daily flat rate. No retention will apply to labor in excess of lump sum contract inclusion.

Retained amount will be placed in interest bearing joint escrow account with dual signatory rights. Upon successful Acceptance test and operation of the plant or by June 30th 2013,

PURCHASE AGREEMENT

whichever is sooner retained amount will be released. Interest amount will be split evenly between supplier and owner.

Prices are valid for acceptance until 1st October 2011.

Prices are subject to escalation per following:

- 40% of contract amount is subject to escalation based on BLS index WPU111- Machinery and Equipment.
- 60% of contract amount is subject to escalation based on PPI index BLS code 332312- Fabricated Structural Steel Manufacturing.

Pricing does not include any sales or use taxes.

PURCHASE AGREEMENT

Beumer Provisional Schedule of Critical Dates

Task	Start	Finish
Bloom Lake Project - Phase II	08/11/11	09/30/12
Notice to Proceed	08/15/11	09/14/11
Misc	08/11/11	08/11/12
Site Plan	08/11/11	09/11/11
Machinery and Pulley Schedule	11/07/11	12/11/11
Specification Sheet	08/11/11	09/23/11
Mechanical and Structural Standards	08/25/11	10/08/11
O&M Manual	05/31/12	08/11/12
Engineering	08/11/11	05/19/12
Tripper Conveyor / Tripper	08/11/11	04/06/12
Ore Storage Shed	08/11/11	05/19/12
Equipment Procurement	08/11/11	06/09/12
Steel Procurement	08/22/11	12/11/11
Fabrication	09/20/11	09/15/12
Fabricate & Deliver Tripper Conv	01/12/12	09/15/12
Fabricate Tripper	01/12/12	08/30/12
Fabrication Tripper Trusses	01/12/12	08/30/12
Fabrication Tripper Car and deliver	03/02/12	09/15/12
Fabricate & Deliver Ore Storage Shed	01/13/12	08/30/12
Fabrication Detail Drawings and Sub-Ass'y drawings	01/13/12	04/14/12
Review of Shop Details	03/16/12	05/12/12
Fabricate Ore Storage Shed	03/30/12	08/15/12
Delivery Ore Storage Shed	05/25/12	08/23/12

PURCHASE AGREEMENT

Exhibit E – Service and Support Program & Training

The labor services described in sections 1 through 4 will be included in the supply of the conveying system detailed under Exhibit C.

The items contained in section 5 are optional service programs that Beumer can provide.

Beumer intent is to recruit at least one French speaking Quebec based Technician to provide the main point of contact and interface with Cliffs staff present at site during various phases of the on-site time required. Cliffs will be invited to attend final interviews for short listed candidates, given that the individual selected will be exclusively on Cliff's site for an extended time period. Final candidate selection will be jointly agreed between Cliffs and Beumer. The candidate will be a full time Beumer employee managed and directed by Beumer Kansas City.

We plan to have the individual trained and ready for start of site time during the early to mid phase of the installation period in 2012. Beumer may also supplement this approach with additional field labor (Beumer start up and service technicians) or prequalified and trained sub-contractors.

Beumer supplies labor service only. Travel inside Canada, accommodation, food and local transport

Will be supplied by Cliffs or billable at cost.

1. Installation Supervision

Beumer will supply supervision to enable effective and accurate installation of the items to be supplied under Exhibit A. The supervision support will be in the form of a qualified and trained technician who can recommend and advise on erection, equipment storage and effective handling of all items within Beumer scope of supply.

No field labor is included in the contract, supervisory technician services only.

Normal working day will be 12 hours day shift. The total number of weeks provided in the scope for installation support is 28 weeks.

2. Start-Up services

Start-Up Services will comprise of the following activity to be conducted by Beumer as follows.

I. Installation Checking and Certification for Commencement of Test Operation

Beumer will perform dry installation checks including, but not restricted to conveyor alignment, belt splice conditions, general conveyor condition, general inspection, tail end checks, drive end checks, final assembly etc. Switches and safety equipment installation and operation check will also be completed. Setting up and initial adjustment of belt cleaners will be completed. Installation of all covers and guards will be checked. An installation checklist will be produced and any items requiring rectification will be submitted and discussed with installation contractor and owner.

PURCHASE AGREEMENT

Beumer has included 2 working weeks 12 hour day shift. This assumes installation is fully complete at time of checking.

Beumer will issue written report and will recheck modifications or rectification work prior to starting dry start up.

II. Dry Start-Up services

Beumer will perform initial dry operation of the conveyor over a 2 week period. Based on 12 hour day shift.

In order for dry start up to commence the following conditions need to be met:

- Certificate of conveyor and system check from Beumer technician is in place
- Power available to all equipment in scope
- All safety equipment is in place and checked
- Initial proving of control system, joint commencement agreement agreed between Beumer, electrical controls technician and owner.

The initial dry start up will in general terms take place as follows

- Dry start up initiated, short duration of initial run and operation observed
- Setting of cleaners, tracking
- Winch adjustment and final setting dry belt tension adjustments completed
- Extended dry run building up to consistent level of running hours completed
- Checking and operation of control system, including safety interlocks completed
- Operation of creep drive and emergency operation completed
- Continuous operation of conveyor dry established completed

III. Wet Start Up Services

Beumer will perform wet operation of the conveyor over a 3 week period based on 12 hour day shift. Beumer has provided two technicians for the completion of the wet commissioning period. Wet commissioning is based on day shift operation extending towards fulltime operation at end of start-up period.

In order for wet start up to commence the following conditions need to be met:

- Proven dry operation and completed inspection report of conveyor and system check from Beumer technician in place
- Sufficient material available from owner to run conveyors at capacity
- All safety equipment in place and checked
- Final proving of control system
- Storage hall ready to receive material and or mobile equipment provided by owner to remove material from site

The wet start up will in general terms as follows

- Wet start up initiated, short duration of initial run and operation
- Final setting of cleaners, tracking

PURCHASE AGREEMENT

- Winch adjustment and final setting
- Extended wet run building up to consistent level of full running hours
- Checking and operation of control system
- Operation of creep drive and emergency operation
- Continuous operation of conveyor dry established
- Testing of conveyors at full capacity for Customer Acceptance
 - As per Terms and Conditions a 4 hour test will be run
 - All conveyors will be tested at 6000tph average for a continuous 4 hour period
 - Successful completion shall result in Customer Acceptance
 - Unsuccessful completion shall require adjustment and retesting as per terms and conditions

3. Operator Training

The approach and curriculum for training is provisionally planned as follows

Beumer suggests a mix of classroom and practical on job training sessions.

The labor to complete training is the same individuals that will be on site for installation supervision, start up and initial period of operation.

I. Conveyor General Classroom Training Sessions (All Staff)

This will be a general overview of the basic design and approach criteria for belt conveyors. This will be accomplished in a 4 hour (morning or afternoon) classroom session maximum group size 12.

- OLC design
- Components and design criteria
- Approach and differences to conventional horizontal conveyors
- Explanation of drawings, manuals and procedures
- Beumer customer support program explanation and contacts

II. Practical Operator Training (Operator Training)

This can be accomplished in 2 - 3 days with a maximum group size of 3. This can be done after an initial period of start up.

- OLC operational characteristics
- Start up and shut down
- Emergency operation
- Belt tracking and belt running observations
- Cleaner setting
- Trouble shooting
- Wear parts and wear indicators (operational performance assessment)

III. Practical Maintenance Training (Maintenance Staff)

This can be accomplished in 3 days with a maximum group size of 3.

PURCHASE AGREEMENT

- Detailed equipment set up and wear observations
- Monitor and observation of typical wear parts
- Key component change and maintenance
- Check sheets and inspection criteria
- Maintenance schedule and program
- Optimization of conveyor performance

Beumer has included 3 introduction classroom sessions and 4 sessions each for operator and maintenance training on site in scope.

4. Initial period of Operation Support

Beumer intends to support Cliffs in the initial period of operation and has included in the contract the following post start up site services level.

Post operation support commences from the completion of startup and will include acceptance testing completion.

The scope of support for initial operation will be for the following activity

- Conveyor optimization
- Regular running adjustments recommendations for equipment
- Inspection and monitoring of equipment with Cliffs staff
- Ongoing training for Cliffs site engineering and operators
- Technical advice for Cliffs staff
- Assistance in setting maintenance inspections schedules and intervals with Cliffs maintenance group
- Supporting spare parts inventory and ordering
- Supervision of any spares fitting as required
- Work to assist in the determination of any potential warranty claim or performance exception

The principle is to create a sense of comfort for Cliffs and to ensure that the conveyor operation is smooth and consistent. Beumer has provided coverage initially day and night. Beumer anticipates that a reduction in site presence to day working only can occur, when the conveyor operation and performance is consistent. Beumer has allowed for 24 hour coverage for the first 12 weeks of operation. Beumer has allowed for a further 30 weeks of support based on day shift running hours 12 hour days.

This will provide a total of 42 weeks of support from start up.

5. Optional Beumer Combined Customer Support Program Options

Beumer suggests that Cliffs consider combined site support programs once Beumer contract inclusive support is completed.

This can be designed with varying levels of service and some options have been outlined below.

Contract duration is subject to discussion, Beumer can suggest 1, 3 or 5 year terms.

PURCHASE AGREEMENT

Beumer will supply pricing for these options on request at anytime, firm prices can only be agreed at time of contract start.

Level One Spare parts and service schedule

Under this arrangement Beumer will issue a service plan and spares holding level. All labor services will be selected and pre priced up front on an annual basis from a Cliffs preferred rate sheet. This will essentially be a time and materials supply basis taken as required by owner with pricing set in advance for the following year.

The rate sheet will contain Cliffs preferred labor rates and spares pricing level.

Labor should be scheduled in advance

Spares deliveries will be defined in advance along with the recommended delivery intervals.

Level Two Predetermined Inspection and Spares Contract

This will be a service contract with 1, 3 or 5 year duration. The contract will define standard maintenance intervals and scope of work for each inspection to be completed during the contract period.

The inspection will be concluded with a full written report of equipment condition, operating and general condition status. The report will define required actions both to rectify any exception conditions, wear part replacement or anticipated near term maintenance requirements. The information will define any preventative maintenance or rectification work recommended.

The inspection interval recommended should be once per quarter with an anticipated site time of 1 week to cover all equipment based on 10 hour working days

Depending on finalized duration some increase in inspection intervals may be advisable in years 4 and 5.

The spares requirements will be defined as a standard recommended spares holding that will be housed within the contract. The contract for spares will be based on a base holding level purchased by Cliffs prior to contract commencement. Beumer will monitor inventory and will make recommendations on holding level adjustments and provide proposals and recommended reordering instructions.

Level Three Complete Routine Maintenance and Spares Package Contract

This contract option will include the routine inspections that are defined and contained in the level two options.

In this option Beumer will also offer the management and supervision of all routine maintenance requirements that result from inspection visits. This is typically limited to a number of predetermined overhaul or maintenance visits to take place at anytime within the contract duration. Contract durations can be 1, 3, 5 or more years depending on customer preference. Once visits are used contract can be renegotiated or switched to standard rates.

PURCHASE AGREEMENT

Simple maintenance work such as single idler replacement, switch replacement or simple repairs during normal operation are not considered routine maintenance events.

The spares package associated with this contract level will be essentially supplied as per contract level two with the inclusion of key replacements defined as occurring in the contract duration held on consignment (pay as used basis) at the customer site. Beumer will manage inventory to base level agreed. At the end of the contract duration all spares are to be acquired by the owner at proposal values.

This is essentially an upfront fixed cost service plan. Additional hours or parts that exceed the contract scope will be at standard rates and prevailing quotation rate at time of order.

Level Four Fully Inclusive Maintenance Contract with availability option Contract

This contract level is normally executable over a longer period, typically 3 years or more. This places all ongoing maintenance management and potentially some responsibility for equipment availability into Beumer scope.

All coverage contained in levels two and three are included in this scope.

This contract type will normally be based on a defined availability rate established within the first six months of operation under contract. This will fix an availability benchmark for the covered equipment under the contract. The contract contains bonus and penalty elements based on criteria for % of equipment availability.

Beumer anticipates supplying a level of permanent site presence suitable to meet criteria defined for service intervals and operating availability. This is normally dayshift presence for equipment of this type, although 24 hour coverage options can be considered.

Spares are included on either a fixed lump sum cost basis for entire contract time (no risk spares option) or on consignment (pay as used) basis.

Emergency Services Option

Beumer can support various levels of call out for emergency or exception conditions irrespective of the contract established.

The following variables are to be determined and are established dependent on contract level taken.

- Call to site arrival time level
- Exact event that constitutes emergency call out
- Level of phone support available or applicable

PURCHASE AGREEMENT

Exhibit F – Site Safety and Health Provisions

Beumer will only send competent people to job site.

Site staff will arrive on site with Beumer-provided personal protective equipment to meet Cliffs' site requirements.

Beumer will undertake and complete all required induction and safety training for all site staff.

Beumer will adhere to all site rules including accident reporting, posted safety instructions, safety notices, all safety instructions provided to Beumer.

PURCHASE AGREEMENT

between

The Bloom Lake Iron Ore Mine Limited Partnership,
by and through its General Partner,
Bloom Lake General Partner Limited

and

Beumer Corporation

TERMS AND CONDITIONS

September 30, 2011

TABLE OF CONTENTS

1.	APPLICATIONS	1
2.	DEFINITIONS.....	1
3.	INTERPRETATION.....	2
4.	AUTHORIZATIONS	3
5.	TAXES, FEES AND DUTIES	3
6.	REPRESENTATIONS AND WARRANTIES OF SUPPLIER.....	4
7.	ASSUMPTION OF RISKS OF LOSS AND DAMAGE.....	4
8.	INSURANCE.....	4
9.	DEFECTIVE DELIVERABLES.....	5
10.	INDEMNIFICATION	5
11.	DRAWINGS, DIAGRAMS, MANUFACTURER INSTRUCTIONS AND DELIVERY CONDITIONS	6
12.	DELIVERY	7
13.	DELAYS.....	7
14.	CONFIDENTIAL INFORMATION.....	7
15.	MAINTENANCE AND OPERATING MANUALS.....	9
16.	FOLLOW-UP.....	9
17.	INSPECTION	9
18.	MATERIAL REPLACEMENT AND EQUIVALENCE	10
19.	MODIFICATIONS.....	10
20.	MODIFICATION REQUEST	10
21.	CHANGE ORDER	10
22.	EVALUATION OF WORK CHANGES.....	10
23.	BILLING	11
24.	PAYMENTS.....	11
25.	REGULATIONS CONCERNING DISAGREEMENTS	12
26.	DEFAULT OF SUPPLIER.....	13
27.	UNILATERAL TERMINATION OF THE CONTRACT	13
28.	FORCE MAJEURE.....	14
29.	LIQUIDATED DAMAGES	14
30.	SURVIVAL	14
31.	EQUIPMENT PREPARATION, SHIPMENT AND STORAGE CONDITIONS	15
32.	SENSITIVE MATERIALS.....	17
33.	GUARANTEE.....	17
34.	SUPPLIER EXECUTION SCHEDULE	17
35.	DRAWINGS AND DOCUMENTATION	18

36.	QUALITY.....	18
37.	METRIC SYSTEM	19
38.	PERFORMANCE TESTING	20
39.	DOCUMENT AND EQUIPMENT NUMBERING	20

PART I - GENERAL

1. APPLICATIONS

These Standard Terms and Conditions are applicable to the Supply of deliverables as set forth in the Contract.

2. DEFINITIONS

As used in these Standard Terms and Conditions, the following terms have the following meanings unless the context otherwise requires:

- 2.1 **“Affiliates”** – means, with respect to either Party, any entity which directly or indirectly controls or is controlled by or is under direct or indirect control with the Party or any entity which is directly or indirectly controlled by any entity which controls said Party.
- 2.2 **“Confidential Information”** – has the meaning ascribed thereto in Section 14.1 of these Standard Terms and Conditions.
- 2.3 **“Consulting Engineer”** – means the third party acting on the behalf of Owner to perform the general engineering and related project management services for the execution of the Project.
- 2.4 **“Contract”** – means:
- (i) The Purchase Order;
 - (ii) the Standard Terms and Conditions;
 - (iii) the Specific Conditions;
 - (iv) the Contract Documents;
- 2.5 **“Contract Documents”** – means all job instructions, diagrams, plans, shop drawings, samples, scale models and all other documents or materials supplied by Owner to Supplier within the context of the Project.
- 2.6 **“Disclosing Party”** – has the meaning ascribed thereto in Section 14.1 of the Standard Terms and Conditions.
- 2.7 **“Equipment”** – means the equipment identified in the Contract Documents.
- 2.8 **“Losses”** – means all damages, losses, amounts paid in settlement, demands, claims, liabilities, assessments, judgments, awards, costs and expenses (including, but not limited to, attorneys’ fees and expenses, costs of investigation, court costs, expert and consultant fees), interest (including prejudgment interest in any litigated matter), penalties and charges.
- 2.9 **“Owner”** – means The Bloom Lake Iron Ore Mine Limited Partnership.
- 2.10 **“Parties”** – means Supplier and Owner.
- 2.11 **“Project”** – means the Supply by Supplier to Owner of all deliverables identified in the Contract in compliance with the terms and conditions contained therein.

- 2.12 **“Purchase Order”** – means such purchase order issued for the Supply by Supplier of the deliverables more specifically identified in these Standard Terms and Conditions, the Specific Conditions and the Contract Documents duly signed by an authorized representative of Owner, setting forth a particularized order for the Supply by Supplier of said deliverables, including price, delivery dates and such other information as may be necessary in accordance with and subject to the terms and conditions of the Contract.
- 2.13 **“Quality Plan”** has the meaning ascribed thereto in Section 36.1 of these Standard Terms and Conditions.
- 2.14 **“Recipient”** – has the meaning ascribed thereto in Section 14.1 of these Standard Terms and Conditions.
- 2.15 **“Representatives”** – means the officers, directors, employees and agents of one Party or any other corporate entity referred to in the Contract.
- 2.16 **“Specific Conditions”** – means the document entitled “Specific Conditions” agreed upon by the Parties within the context of the performance of the Project.
- 2.17 **“Standard Terms and Conditions”** means the standard terms and conditions provided herein.
- 2.18 **“Supplier”** – means Beumer Corporation.
- 2.19 **“Supply”** – means the design, research and development, manufacturing, supply and delivery of the Equipment and the supply of accessory services including, but not limited to, technical assistance, commissioning, test, start-up, compilation, process and planning services as required for the progress and finalization of the Project, but excluding erection.

3. INTERPRETATION

The following provisions govern the Contract with respect to rules of interpretation:

- 3.1 **Applicable Laws** – this Contract is governed by the laws of Ohio and shall be interpreted in accordance with such laws.
- 3.2 **Currency** – unless otherwise indicated, all dollar amounts mentioned in the Contract are in US dollars.
- 3.3 **Entire Agreement and Amendments** – the Parties acknowledge that the Contract constitutes a full and entire agreement entered into between them and supersedes any previous agreement, discussions and negotiations to the same effect regarding the subject matter of the Contract. The Parties acknowledge that no amendments may be made to the Contract unless agreed to between the Parties and confirmed in writing.
- 3.4 **Implicit Waiver** – the fact that a Party hereto has not insisted on the full performance of any provision contained herein or has not always exercised any of its rights conferred thereon shall not be construed as a waiver of such rights or the performance of such provisions in the future; save for express provisions to the contrary, any waiver of a right by one of the Parties hereto shall be effective only where set out in writing and any such waiver shall apply only to the rights and circumstances expressly indicated therein.

- 3.5 **Severability** – each provision hereof forms a distinct whole such that any court decision rendering any such provision null or unenforceable shall not in any manner affect the validity of the other provisions or the enforceability thereof.
- 3.6 **Precedence** – Supplier undertakes to strictly comply with all documents hereinafter referred to. In the case of contradiction between the following documents, they shall take precedence in the following order:
- 3.6.1 the Purchase Order;
 - 3.6.2 the Specific Conditions;
 - 3.6.3 the Standard Terms and Conditions;
 - 3.6.4 the technical specifications contained in the Contract Documents subject to the foregoing:
 - (i) the documents with the most recent date take precedence;
 - (ii) the figured dimensions on the plans take precedence, even if they are different than the dimensions given by scale;
 - (iii) the plans drawn on a larger scale take precedence over the plans drawn on a smaller scale on the same date; and
 - (iv) the technical specifications take precedence over plans except plans produced at a later date take precedence over technical specifications relating to the same subject matter; and
 - 3.6.5 the technical standards contained in the Contract Documents.
- 3.7 **Interpretation of Contract Documents** – Owner has priority in interpreting the Contract Documents. Where the Contract is unclear or ambiguous and the Owner's interpretation causes an increase or decrease in costs of, and/or the delivery schedule for, the Equipment and Supply, the Parties undertake to negotiate in good faith in order to adjust the total price payable to the Supplier by Owner for, and/or the delivery schedule of, the Equipment and Supply, whether or not such adjustments benefit Supplier or Owner.

4. AUTHORIZATIONS

Supplier is responsible for obtaining all authorizations from third parties, including licenses and certificates, necessary to carry out the Project and for observing and ensuring that the federal, provincial and municipal laws, regulations, ordinances, decrees and codes applicable to the execution of the Project are observed, and for providing, if Owner so requests, proof that they were observed.

5. TAXES, FEES AND DUTIES

The consideration set out in the Purchase Order includes all accessory fees, duties, royalties, commissions and other accessory disbursements, if any, for the Supply under the Contract. The consideration set out in the Purchase Order excludes, however, all federal, provincial and municipal applicable taxes, if any, which must be satisfied by Owner.

6. REPRESENTATIONS AND WARRANTIES OF SUPPLIER

Supplier hereby makes the following representations and warranties:

- 6.1** Supplier has the full right and authority to enter into the Contract and is not aware of any impediment that would inhibit its ability to perform its obligations under the Contract.
- 6.2** Supplier is the owner and has good and marketable title to the Equipment free and clear of all liens. The Equipment is not subject to any restrictions with respect to the transferability thereof and there is no contract, option or any other right binding upon or which at any time in the future may become binding upon Supplier to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber the Equipment other than pursuant to the Contract.
- 6.3** The use of the Equipment and the Supply rendered by Supplier in accordance with the Contract will not infringe the rights (including intellectual property rights) of any third party.
- 6.4** The use of the Equipment and the Supply rendered by Supplier in accordance with the Contract will not breach any laws (including any laws in respect of intellectual property rights) or infringe any intellectual property rights.
- 6.5** The Equipment will conform:
 - 6.5.1** to the specifications set forth in the Contract; and
 - 6.5.2** to all applicable laws.
- 6.6** The Equipment will be of merchantable quality, free from all defects in design, workmanship and material and will be fit for the particular purpose for which it is purchased.

The Parties consent and agree that nothing contained herein shall limit in any way representations and warranties imposed upon Supplier by applicable law.

7. ASSUMPTION OF RISKS OF LOSS AND DAMAGE

Notwithstanding any provision included in the Contract, Supplier shall bear all risks of loss or damage to the Equipment, until delivery to Owner in accordance with the Contract.

8. INSURANCE

Without limiting Supplier's undertaking to indemnify, defend and hold harmless Owner as provided herein, Supplier shall purchase and maintain, until the expiry of a year subsequent to completion and acceptance of the Equipment by Owner, general liability insurance, product liability insurance, property damage insurance, workers compensation and employees liability insurance with an inclusive limit of \$5,000,000 per occurrence as well as any other insurance coverage which may be required by law in any jurisdiction with authority over Supplier's operations or which Owner may reasonably request from time to time, whichever is greater. Coverage shall be written on an occurrence basis. Supplier shall provide insurance coverage by a responsible and reputable insurance company (or companies). Certificates of insurance evidencing the aforementioned coverage shall be forwarded to Owner within ten (10) days of demand. It is further agreed that Owner will be added as additional insured on the aforementioned policies.

9. DEFECTIVE DELIVERABLES

- 9.1** If any of the deliverables under the Contract are found to be defective within twelve (12) months from date of first use, but not more than eighteen (18) months from the date of delivery by Supplier to Owner, then, in addition to other rights and remedies Owner may have under the Contract or at law or equity, Owner may, at its option and sole discretion, and at Supplier's expense: (a) reject and return such deliverables; (b) require Supplier to re-perform/replace the non-conforming deliverables with deliverables that conform to the requirements of the Contract; and/or (c) take such actions as may be required to cure all defects and/or bring the deliverables into conformity with all requirements. Any attempt by Supplier to limit, disclaim or restrict any such undertaking, by acknowledgment or otherwise, in accepting or performing the Contract, shall be null, void and ineffective without Owner's written consent. Notwithstanding the above, Owner shall allow Supplier to inspect any defective deliverable and provide evidence of defect and maintenance records to justify warranty claims. Should Supplier wish to inspect any defective deliverable, such inspection shall be completed by Supplier within 15 days of a notice delivered to the Supplier to the effect a deliverable is defective, unless a longer delay is agreed to by Owner.
- 9.2** All deliverables re-performed or remedied in accordance with the aforementioned undertaking shall be covered by a warranty which shall apply under the same conditions as for the original deliverables. Receipt and acceptance of deliverables under the Contract by Owner shall in no way limit Owner's ability to exercise its rights under this Section 9.

10. INDEMNIFICATION

- 10.1** To the fullest extent permitted by law, the Parties (Supplier and Owner) shall mutually defend and indemnify each other. The first party shall defend and indemnify the second party, its Affiliates and their respective Representatives and hold each of them harmless to the extent Losses of any nature whatsoever suffered by any or all of them, arising out of or resulting in any manner whatsoever from (i) the negligence or willful misconduct of the first party, its sub-contractors, and their Affiliates and their Representatives; (ii) the performance of any of the first party's covenants, undertakings and/or obligations under the terms of the Contract; and (iii) any material breach of, or failure to fulfill, any representation and warranty given by the first party under the terms of the Contract. The first party shall confer with the second party prior to settlement of any claims for which the first party shall provide a defense and indemnity to the second party.
- 10.2** Promptly upon obtaining knowledge thereof, the second party shall notify the first party of any cause which the second party has determined has given or could give rise to indemnification under this Section 10. The omission to notify the first party shall not relieve the first party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to the extent) the omission to notify materially prejudices the ability of the first party to exercise its right to defend provided in this Section 10.
- 10.3** Limitation of Liability
- 10.3.1** Except for liabilities provided for in this Agreement, including liquidated damages, neither Party shall have any liability whatsoever to the other for any special, incidental, indirect or consequential loss, injury or damage of any nature such as, but not limited to, loss of income, profit or revenue, loss of buyer goodwill, damage to business relations, business opportunity or production, loss of use of equipment, down-time costs, claims by clients or buyers of either Party, or damages for economic losses arising from, connected with or relating to a

Party's acts or omissions, whether or not such damages are foreseeable, whether or not such party has been advised of the possibility of such damages, whether based on contract, warranty, tort (including negligence of any nature, whether sole or concurrent), strict liability, enterprise liability or other product liability theories.

- 10.3.2 Each party expressly waives any right to claim or to seek recovery of exemplary or punitive damages from the other Party for any act or omission arising out of or in connection with the performance or nonperformance of the obligations under the Agreement.
- 10.3.3 The cumulative total liability of either Party with respect to claims, costs, liabilities and damages under or related to the Agreement or the performance or nonperformance of the work, whether based on contract, tort (including negligence, whether sole or concurrent), strict liability or otherwise (excluding warranty), shall not exceed the total amount to be paid under this Agreement. This limitation on cumulative total liability shall not apply if the damage was caused by a Party's gross negligence or willful misconduct nor shall this limitation apply with respect to recovery from insurance policies provided pursuant to this Agreement.

PART II - CARRYING OUT THE WORK

11. DRAWINGS, DIAGRAMS, MANUFACTURER INSTRUCTIONS AND DELIVERY CONDITIONS

- 11.1 In order to keep the Supply on schedule, Supplier shall give, at the appropriate time, to Owner and its Consulting Engineer and for their review and acceptance, all the drawings, diagrams and manufacturer instructions necessary to carry out the Supply properly, which review and acceptance by Owner and Consulting Engineer shall be performed in a timely manner and Supplier shall not be responsible for any delays in such review and acceptance.
- 11.2 All final drawings, diagrams and manufacturer instructions for the Equipment shall be checked, identified, dated, signed and sealed by Supplier's registered design engineer. Upon submittal to the Owner and its Consulting Engineer, Supplier must clearly highlight and indicate all changes in connection with the Contract Documents.
- 11.3 It is specifically agreed that review and acceptance of the drawings, diagrams or manufacturer instructions by Owner and/or Consulting Engineer does not in any way discharge Supplier of its liability.
- 11.4 Supplier is not to proceed with the Supply until Owner and Consulting Engineer have had an opportunity to review and accept Supplier's drawings, diagrams and manufacturer instructions accessory to the Supply.
- 11.5 Supplier is responsible for the design and the preparation of all general arrangements for the Supply. Supplier will undertake the shop fabrication drawings following the review and acceptance of the general arrangement drawings by Owner and Consulting Engineer.
- 11.6 Each component of the Supply, including each of the drawings, diagrams and manufacturer instructions prepared by Supplier shall comply with the specific conditions required for the Equipment with regard to:

- 11.6.1 packaging and labeling;
- 11.6.2 transportation;
- 11.6.3 storing procedures;
- 11.6.4 unloading procedures;
- 11.6.5 installation procedures; and
- 11.6.6 operating instructions and maintenance manuals in English and in French.

12. DELIVERY

- 12.1** Supplier must deliver the Equipment to the specified location at the specified time, packaged, labeled and tagged according to specifications set forth in the Specific Conditions set forth in the Contract. Each delivery must be accompanied by a packing list, in duplicate inside a waterproof envelope attached to or inside any parcel, clearly listing the items delivered, item tag numbers, quantities, order number and item numbers. Any delivery not materially conforming to the above conditions may be refused. A delivery intention notice must be sent to Owner, to the attention of "Construction Supervisor", e-mail address to be provided, with mention "Equipment Delivery", seven (7) days before any delivery. Unless otherwise indicated in the Specific Conditions, the delivery and transport conditions are per Incoterms 2010. All equipment, parcels or parts delivered must be clearly identified by Supplier using labels firmly attached before shipping. The equipment number will be given to Supplier before shipping and must appear on the label.
- 12.2** In the case of sub-assemblies or parts that are shipped separately, Supplier shall give Owner, at least three weeks before shipping, a list of every sub-assembly or part, and indicate on the label, every sub-assembly or part number that will be given to Owner by Supplier's procurement manager.
- 12.3** In the event Supplier reasonably believes that the delivery of the Equipment or any component thereof under the Contract may be delayed, Supplier shall immediately inform Owner of any such delay and shall submit recovery plans to meet Owner's requirements. Notwithstanding the foregoing, Supplier shall not be relieved of its liability as a result of the late delivery of the Equipment.

13. DELAYS

Owner may, at its sole discretion, request postponement of any shipment without being deemed to have failed in its obligations pursuant to the Contract upon payment of Supplier's increased storage costs and carrying costs, if any, resulting from the delay. If Owner postpones any shipment by more than 45 days and such postponement causes modifications in costs of, and/or delivery schedule for, the Equipment and Supply, the Parties shall negotiate in good faith a reasonable adjustment to the total price payable by Owner to the Supplier for, and/or the delivery schedule of, the Equipment and Supply.

14. CONFIDENTIAL INFORMATION

- 14.1** As used in these Standard Terms and Conditions, the term "Confidential Information" means any and all material and information, whether or not reduced to writing, related to the Project or to the business of any Party or any of its Affiliates which (a) is disclosed by one Party or any of its Affiliates or any of their Representatives (collectively the

“Disclosing Party”) to the other Party or any of its Affiliates or any of their Representatives (collectively the “Recipient”) or observed by Recipient on Disclosing Party’s premises, and (b) is treated as confidential by Disclosing Party, or would otherwise reasonably be understood to be confidential under the circumstances. Confidential Information includes but is not limited to plans, formulas, machinery, designs, layouts, equipment, processes, manufacturing methods, ideas, data (technical and non-technical), patterns, compilations (including compilations of customer information), programs (including models), devices, methods (including design methods), techniques, drawings, processes, financial information (including sales forecasts), lists of past, actual or potential customers and suppliers (including identifying information about those customers and suppliers), operational information, planning or strategy information, research and development information, information about existing and future products, and information about personal matters of Disclosing Party. Confidential Information also includes information disclosed to Disclosing Party by a third party that Disclosing Party is legally obligated to maintain in confidence. Confidential Information disclosed in tangible or electronic form may be identified by Disclosing Party as confidential with conspicuous markings, or otherwise identified with a legend as being confidential, but in no event shall the absence of such a mark or legend preclude disclosed information which would be considered confidential by someone exercising reasonable business judgment under the circumstances from being treated as Confidential Information by Recipient.

- 14.2** For the purposes of these Standard Terms and Conditions, the term “Confidential Information” does not include information which is: (a) in the public domain when it is received by or becomes known to Recipient or which subsequently enters the public domain through no fault of Recipient; (b) already known to Recipient at the time of its disclosure to Recipient by Disclosing Party and is not known by Recipient to be the subject of an obligation of confidence of any kind; (c) independently developed by Recipient without any use of or reference to the Confidential Information of Disclosing Party and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction; (d) received by Recipient in good faith without an obligation of confidence of any kind from a third party who Recipient had no reason to believe was not lawfully in possession of such information free of any obligation of confidence of any kind; or (e) released in writing by Disclosing Party from confidential status.
- 14.3** Each of the Parties (a) must at all times keep and hold all Confidential Information in strict confidence and must not use the Confidential Information except to further the Project or as otherwise specifically authorized in writing by Disclosing Party; and (b) must use the same care and discretion as it employs with its own confidential and proprietary information (but in no event less than reasonable care and discretion) to maintain in confidence, and prevent disclosures of, the Confidential Information. Under no circumstances, except as expressly set forth below, shall Recipient reproduce, distribute or otherwise provide, directly or indirectly, any Confidential Information to any person or entity without the consent of Disclosing Party. Recipient shall not reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody Disclosing Party’s Confidential Information.
- 14.4** Notwithstanding the foregoing, each Party may disclose Confidential Information: (a) on a “need-to-know” basis to the Representatives of Recipient who are directly involved in performing or evaluating the Project, and who have a specific need to know such information, and who are obligated to hold the information in confidence and otherwise to comply with the terms of these Standard Terms and Conditions; and (b) to the extent required by a court of competent jurisdiction or other governmental authority or otherwise as required by law provided that, in the event such disclosure may be required, demanded or ordered, Recipient provides prior written notice to Disclosing Party.

Recipient will advise each Representative who is given access to the Confidential Information of its confidential nature and the existence and importance of these Standard Terms and Conditions. Moreover, Recipient shall be solidarily liable for any breach of these Standard Terms and Conditions by any of its Representatives.

- 14.5 Each Party understands and acknowledges that Disclosing Party's Confidential Information has been developed or obtained by Disclosing Party by the investment of significant time, effort and expense, and that such Confidential Information provides Disclosing Party with a significant competitive advantage in its business.
- 14.6 The obligations of confidentiality set forth herein shall continue indefinitely.
- 14.7 Each Party acknowledges that its failure to comply with its obligations under this Article 14 will cause irreparable harm to the other Party which cannot be adequately compensated for in damages, and accordingly acknowledges that the other Party will be entitled to obtain, in addition to any other remedies available to it, interlocutory and permanent injunctive relief to restrain any anticipated, present or continuing breach of this Article 14.
- 14.8 At any time, upon simple request of Disclosing Party, Recipient must provide to Disclosing Party all Confidential Information in Recipient's possession, custody or control. Recipient agrees to return all Confidential Information together with any copies (including but not limited to, complete or partial copies incorporated into other materials) that may have been made, promptly upon the request of Disclosing Party or, if not requested earlier, promptly after the Project has been completed or abandoned and, upon request of Disclosing Party, provide a certificate of destruction, except that Recipient may retain one copy of a document or other media for legal archival purposes, subject to protection and non-disclosure in accordance with the terms of these Standard Terms and Conditions.

15. MAINTENANCE AND OPERATING MANUALS

The Supplier shall give Owner maintenance and operating manuals and sheets for installation, operation and maintenance in English and French. These manuals shall be provided along with the drawings, diagrams and manufacturer instructions as specified in Article 11 of these Standard Terms and Conditions.

PART III - WORK CONTROL

16. FOLLOW-UP

Owner or those mandated by Owner, may at any time check the progress of the Supply and compare it to the schedule agreed upon by both Owner and Supplier. Supplier shall allow Owner and Consulting Engineer free access to its premises at reasonable times with advanced notice and shall make similar arrangements with its sub-contractors and suppliers. If Owner or Consulting Engineer judges the work to be behind schedule, it may demand that Supplier prepare and carry out, at its own expense, corrective measures to have the work back on schedule.

17. INSPECTION

- 17.1 Owner or those mandated by Owner, may at any time check the quality of the Supply and the materials used in rendering same. In order to do so, Supplier shall allow free access to its premises at reasonable times with five (5) day advanced notice and shall make similar

arrangements with its sub-contractors and suppliers. During inspections, Owner, or those mandated by Owner, may write down in an inspection report anything that is not in conformity with the specifications set out in the Contract in order to have adjustments and corrections made. Supplier shall pay for any corrections made. If in later inspections, there are still matters not in conformity with the Contract, Supplier shall be held responsible for any additional inspection costs incurred by Owner. Supplier shall be responsible for the quality of the parts purchased from other suppliers as well as for the quality of the work of its sub-contractors and suppliers. If following these inspections, Owner, or those mandated by Owner, accept the deliverables under the Contract, Supplier shall not be relieved, in any way, of its responsibility regarding quality and guarantees.

17.2 All tests or verifications required by the Contract or prescribed by law shall occur, upon Owner or Consulting Engineer's request, in the presence of Owner or Consulting Engineer. Supplier shall provide Owner and Consulting Engineer with sufficient notice of any such tests to allow the latter to be present. Supplier shall also provide the Representatives of Owner and Consulting Engineer an office space with a desk, a telephone line and an Internet connection.

18. MATERIAL REPLACEMENT AND EQUIVALENCE

18.1 Any proposal concerning material replacement and equivalence must be approved by Owner or Consulting Engineer. When such a proposal is made by Supplier, Supplier must prove that the material is at least equivalent, and Supplier must pay for it. Nothing set forth in this paragraph shall relieve Supplier, in any way, of its responsibility regarding quality and guarantees.

18.2 Any replacement of material, made at Owner's request, which changes the cost may necessitate a change order, according to the provisions of Article 21.

19. MODIFICATIONS

Owner may, at any time, modify the Contract as defined in Articles 20, 21, and 22. These modifications do not nullify the Contract; Supplier cannot use this as a reason to nullify the Contract and must abide by it.

20. MODIFICATION REQUEST

A modification request, duly submitted by Owner, must precede a modification order. The price submitted by Supplier following the modification request is valid for a period of sixty (60) days. A new delivery schedule for the Supply, if necessary, will be negotiated in good faith by the Parties as part of any modifications to the Contract.

21. CHANGE ORDER

21.1 Owner and Supplier may make modifications to the Contract without abrogating it. The amount of the Contract, deadlines and delivery schedule will be revised accordingly.

21.2 No modification can be made without a written modification order, issued and approved in writing by Owner and Supplier.

21.3 Any modification order forms an integral part of the Contract and shall be executed in accordance with the Contract Documents.

22. EVALUATION OF WORK CHANGES

The cost of each modification is determined using one or more of the following methods:

- 22.1 estimation and acceptance of a lump sum;
- 22.2 unit price mentioned in the tender form or agreed upon by the Parties;
- 22.3 the cost of labour, material and equipment plus a certain percentage agreed upon by the Parties.

PART IV - BILLING

23. BILLING

No payment can be made without an invoice from Supplier. Invoices must be sent, in triplicate, to the attention of Owner. The invoice must correspond to the price and the quantity of each delivery and, must be issued according to the terms of payment stipulated in the Purchase Order. The order number, item numbers, description, quantities, unit price, calculations and total price must be clearly marked on the invoice. Unless the Equipment is exempt from sales taxes, Supplier must list the amount of federal and provincial sales taxes separately on the invoice before calculating the total.

24. PAYMENTS

- 24.1 Once Owner, or those mandated by Owner, approves the progress of the Supply, payment will be made, by Owner, in conformity with agreed terms of payments within forty-five (45) days of receipt by Owner of an undisputed corresponding invoice.
- 24.2 No compensation or reimbursement shall be paid to Supplier for its performance under the Contract except as specifically provided in the Contract. Subject to the satisfactory performance of Supplier's obligations under the Contract, Owner shall pay the price for the Equipment and the Supply rendered in accordance with the aforementioned conditions. Payment shall however be subordinate to remittance by Supplier, upon Owner's request, of a satisfactory lien waiver, including any construction lien or other legal hypothec. Owner may retain any amount necessary to satisfy any such lien filed by a supplier or sub-contractor of Supplier (collectively "Lien Amounts") unless remedied by Supplier through full payment of such Lien Amounts or delivery of performance bond covering Lien Amounts, and subject to delivery to Owner of satisfactory evidence, in Owner's sole discretion, of such payment of Lien Amounts or delivery of performance bonds covering the Lien Amounts.
- 24.3 Supplier will deliver to Owner an irrevocable advance payment guarantee issued by an acceptable bank or insurty company, in form acceptable to the Owner, for advance progress payments. The value of the advance payment guarantee outstanding value will diminish pro-rata upon shipment of deliverables in accordance with agreed Incoterms 2010.
- 24.4 Owner will proceed to the final payment only after having received from Supplier at least each of the following documents:
 - 24.4.1 Technical documents stipulated in the Contract.
 - 24.4.2 Operation and maintenance manuals in accordance with the requested quality standards. A "pdf" file of all the documentation related to the operation and maintenance manuals, including all drawings revised according to the work performed.

24.4.3 "As built" drawings.

24.4.4 Complete and final waiver of any Losses whichever the nature, deriving directly or indirectly from the Contract as well as from any related work performed, to Owner's complete satisfaction.

PART V - DISAGREEMENTS AND TERMINATION

25. REGULATIONS CONCERNING DISAGREEMENTS

25.1 If a disagreement arises concerning the interpretation of any Contract Document, either Party may send a written notice of such a disagreement to the other Party. The Parties shall use their best efforts to settle amicably all disagreements arising out of or in connection with the interpretation of any Contract Document. In the event that the Parties cannot settle the dispute amicably within a fourteen (14) day delay starting from the receipt of said written notice by the other Party, either Party, in lieu of litigation, shall then refer the disagreement to arbitration to be administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules modified as follows:

25.1.1 The place of the arbitration shall be Cleveland, Ohio, United States.

25.1.2 Unless the parties consent in writing to a lesser number, the arbitration proceedings shall be conducted before a panel of three neutral arbitrators, one to be appointed by Owner, one to be appointed by Supplier, and a third to be selected by the two Party-appointed arbitrators. None of the arbitrators shall be an employee, officer, director or consultant of, or of a direct competitor of, Owner or Supplier.

25.1.3 In connection with any arbitration under this Agreement, the arbitrators shall have no authority to alter, amend, or modify any of the terms and conditions of any Contract Document, and further, the arbitrators may not enter any award that alters, amends, or modifies terms or conditions of any Contract Document in any form or manner.

25.1.4 The award or decision shall be made within nine months of the filing of the notice of intention to arbitrate, and the arbitrators shall agree to comply with this schedule before accepting appointment; provided, however, that this time limit may be extended by written agreement signed by both parties, if necessary.

25.1.5 In connection with any arbitration under this Agreement, each Party shall be responsible for its own costs and expenses, and the Parties will equally split the cost of conducting the arbitration itself.

25.2 Either Party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy).

- 25.3** The judgment of the arbitrators shall be final and binding on the Parties, and judgment upon the award rendered by the arbitrators may be entered and enforced by any court of the United States any state court thereof, or any Canadian court.
- 25.4** Notwithstanding said disagreement, Supplier shall diligently pursue its activities under the Contract. The fact that Supplier continues working on the Project does not constitute a renunciation of its rights and/or its recourse.

26. DEFAULT OF SUPPLIER

If Owner believes that Supplier is in breach of a provision of the Contract or is not fulfilling an obligation set forth in the Contract or, without limiting the generality of the foregoing, if Supplier:

- 26.1** is behind schedule in the delivery of any of the critical path deliverables (i.e., items that directly affect the construction schedule that do not have any time flexibility—to be defined by Supplier in the delivery schedule based upon Owner’s construction schedule) under the Contract and such delay exceeds four weeks.
- 26.2** refuses or fails to make the corrections and adjustments required by Owner or Consulting Engineer;
- 26.3** in spite of Owner or Consulting Engineer instructions to the contrary, has the Supply done, in totality or in part, by third party contractors, which detrimentally affects the quality of the Supply;
- 26.4** contravenes the laws, decrees, regulations or orders imposed upon it;
- 26.5** does not allow Owner and Consulting Engineer proper supervision in compliance with the terms of the Contract;
- 26.6** declares bankruptcy, makes a proposal, or becomes insolvent; or
- 26.7** abandons the Supply,

Owner may advise Supplier of any of these violations and order same, if the default can be cured, to correct them immediately. If (i) Supplier does not respond to this order with a definitive recovery plan acceptable to the Owner within ten (10) working days of receiving this notice; or (ii) the default cannot be cured, Owner may terminate the Contract without further notice or delay. Notwithstanding the termination of the Contract by Owner, Supplier is, nevertheless, not freed from any contractual or legal obligation, except from the obligation of completing the physical work. Within a reasonable delay starting from the termination of the Contract, Owner will assess the value of each component of the equipment received by Owner, if any, and will establish in writing a detailed breakdown thereof, copy of which shall be remitted to Supplier. Value shall be established from priced copies of purchase orders provided by Supplier plus reasonable overhead. Alternatively, Owner may return to Supplier, in totality or in part, any component that has no value for Owner or which it does not want to pay for. If the aggregate payments made by Owner to Supplier exceed the value of any said components of the equipment established by Owner and retained by same, Supplier shall immediately reimburse Owner the difference. Notwithstanding the foregoing, Owner shall be entitled to claim any and all Losses it may have suffered from the breach of the Contract by Supplier and resulting from termination thereof by Owner.

27. UNILATERAL TERMINATION OF THE CONTRACT

Owner may, at any time, unilaterally terminate the Contract without cause simply by giving Supplier written notice. In such event, Owner shall pay Supplier all direct labor and material costs incurred on the Work that is

subject to such termination prior to such notice, plus any reasonable unavoidable cancellation costs which Supplier may incur as a result of such termination, plus indirect costs or overhead on the portion of the Work completed, computed in accordance with generally accepted accounting principles less salvage value. As an alternative to salvage value reduction, Owner shall have the right in its sole discretion to take possession of all or part of the Work.

28. FORCE MAJEURE

Neither Owner nor Supplier shall be liable to the other for loss, damage, delay in the completion of the Project or non-performance of any contractual obligation set forth in the Contract caused by acts of God, war, riot, the act or order of any competent civil or military authority, fire, flood or by any other cause which is unavoidable and beyond the Party's reasonable control. Both Parties shall be prompt in restoring normal conditions, re-establishing schedules and resuming operations as soon as the interruptions have ceased. In the case of an event of force majeure, the Party claiming the benefit of the event of force majeure shall, within seventy two (72) hours of the occurrence of the event of force majeure, give the other Party written notice thereof, and a description of the full particulars of the event and the cause or causes of the event. The notice shall describe with particularity the actions that the Party giving the notice intends to take to resolve the event of force majeure as soon as reasonably possible. In no event shall Supplier be entitled to any increase in the price of the Contract as a result of any event of force majeure. Force majeure shall not include financial distress, insolvency, bankruptcy, or other similar conditions affecting one of the Parties and/or its Affiliates and/or sub-contractors. Should the affected Party be unable to resume performance within thirty (30) days, the non-affected Party shall be entitled to terminate Contract by giving a written notice to the other Party confirming its election to terminate the Contract, which termination shall take effect on the date of the delivery of such notice or later on as specified in such notice.

29. LIQUIDATED DAMAGES

29.1 In the event Supplier fails to fulfill its obligation relative to the final delivery date (as specified in Exhibit C of the Purchase Agreement), the Parties agree that the calculations of actual damages for such late delivery would be extremely difficult and impractical to forecast. Supplier therefore agrees that as liquidated damages, and not as a penalty, Supplier shall pay Owner the amount of \$5,000, for each day of late delivery, up to a limit of ten (10%) of the purchase price of each separate deliverable set forth in the Contract. The liquidated damages will begin on the first day that the final delivery is late, and will be assessed from that date. Missing or defective parts that miss final delivery date but do not delay installation or startup shall not result in application of liquidated damages.

29.2 Notwithstanding the foregoing, nothing set forth in this Section 29 shall prevent Owner to terminate the Contract in conformity with the provisions of Section 26 of these Standard Terms and Conditions.

30. SURVIVAL

The parties agree that the covenants and obligations contained in Sections 6, 8, 10, 14, 26, 29 and 30 shall survive the expiration or termination, for any reason whatsoever, of the Contract.

PART VI – SPECIFIC CONDITIONS

31. EQUIPMENT PREPARATION, SHIPMENT AND STORAGE CONDITIONS

31.1 Factory Assembly

The Equipment shall be fully assembled to the greatest practical extent, adjusted and thoroughly tested in Supplier's factory. Minimum disassembly will be done to accommodate shipping clearance restrictions. Whenever practical, a fully assembled unit shall be shipped.

31.2 Packaging and Storage Conditions

All items shall be prepared and packed in suitable lots for shipment. In all cases, Supplier is solely responsible for the quality of the packing material. Supplier shall rectify any damage to the Equipment incurred in transit attributable to packaging.

Supplier shall ensure that the Equipment is thoroughly cleaned prior to shipping.

All items shall be protected against deterioration during transportation and outdoor storage. The packing shall be able to resist long periods of storage that could extend for several months under extreme weather conditions. Supplier shall be responsible to suitably protect and pack all items for delivery to Owner's loading point and Owner shall be responsible to provide suitable protection and packing thereafter.

Maximum transportable dimension and weight shall be considered during the design. Supplier shall be responsible for ascertaining bridge, road, rail and/or waterway limits as they affect Supplier's proposed means of transportation to the Owner's loading point.

At any time, Owner or Consulting Engineer may reject any packing or marking deemed to be non-conforming to the packing standards set out in the Contract.

If the packing is rejected, Owner or Consulting Engineer is entitled to have it re-done at the expense of the Supplier, and the latter will not have the right to claim reimbursement of the incurred expenses.

Packing shall resist all risks associated to numerous handling with gravel roads, fork lift, cranes (slings), etc.

All the different types of handling shall be taken into consideration for the packing design. Material handling shall be made easy.

Storage instructions must be given to Consulting Engineer along with the factory drawings.

31.3 Marking

All the crates or packages shall be marked at least on two (2) opposite sides. The marking shall be in English and shall also be as large as the available space on the crates (or packages) allows, without exceeding a height of 100 mm. If shipment tags are to be used, they shall be printed or typed and shall be solidly attached to the wooden surface by means of staples, nails or tacks. If this is not possible, they shall be fastened with metallic wire or a solid rope (tags shall be waterproof).

Every delivery must be accompanied by a packing list, in duplicate inside a waterproof envelope attached to any parcel or box, clearly listing the items delivered, item tag numbers, quantities, order number and item numbers. Any delivery not conforming to the above conditions may be refused.

Package marking shall be as follows:

Contract #:

Item #: Piece #:

Dimension:

L W H CMS

Gross Wt:

Box Packing List:

Temporary marking (tag) of the equipment within each packing box should be as follows:

Supplier Job #:

Customer:

Customer P.O. #:

Tag item #:

Part #:

Description: (As indicated by the Consulting Engineer)

Equipment: (As indicated by the Consulting Engineer)

Quantity: x of y

Assembly #:

31.4 Delivery

The Equipment shall be delivered to and/or Supply rendered at the Supplier's plant site or at Owners site as determined by the Contract as set out by Incoterms 2010. Supplier shall consider regulations on traffic load limits during thaw periods and take any required action to meet them.

Upon shipment, one (1) set of instruction manuals, drawings and other pertinent information, including mounting details, shall be provided in a weatherproof envelope with the Equipment.

31.5 Handling and Unloading

Supplier has the responsibility to supply all the necessary rigging and loading information. Special loading tools shall be provided by Supplier

The rigging and loading specifications provided by Supplier shall be compliant with all appropriate Canadian security standards and paragraph 5 of this section.

Rigging and unloading certified documents, including procedures and drawings, shall be given to Consulting Engineer for review along with the shop drawings.

31.6 Shipping

The shipping address is:

Project Site – Town of Fermont (Bloom Lake property), Province of Quebec, Canada

Seven (7) days before the planned shipping date at the latest, advise Owner and provide the following information:

Date and hour of delivery;

Type of truck and number of units (pallets or skids) required; and

Weight and volume of units.

31.7 Equipment Permanent ID Plate (Tag)

31.7.1 A permanent identification plate (stainless steel 304, 1/8 inch thick) shall be affixed permanently to each piece of equipment.

31.7.2 Letter height shall not be less than 20 mm (3/4 inch). This plate shall be as follows:

Equipment #: (As indicated by Consulting Engineer)

Description: (As indicated by Consulting Engineer)

32. SENSITIVE MATERIALS

Material safety data sheets (MSDS) are required for all registered substances supplied with the Equipment and bulk materials delivered to the Project.

Use of undesirable (environmental and health sensitive) materials such as polychlorinated biphenyls (PCBs), chlorofluorocarbons (CFCs), asbestos, formaldehyde insulation, Halon and lead-based paints etc. is prohibited.

33. GUARANTEE

Supplier guarantees the Equipment in accordance with these Standard Terms and Conditions.

A quality plan shall be submitted by Supplier through its proposal. It shall be reviewed and accepted by Consulting Engineer and shall contain namely all major tests that are planned to be performed by Supplier during fabrication.

During testing, should any material or equipment be deemed non compliant with the specification data or applicable codes and standards, or show a variation higher than the admissible tolerance, this material or equipment shall be considered non compliant with the contractual obligations and can thus be rejected by Owner. Four weeks shall be allowed to replace non-compliant equipment without application of Liquidated Damages (for standard (off the shelf) components, and 12 weeks for non-standard).

34. SUPPLIER EXECUTION SCHEDULE

The work execution schedule shall conform to the delivery dates agreed upon in the Contract.

Review, express or implied, of this schedule by Consulting Engineer does not entail for Consulting Engineer or Owner any obligation or responsibility towards Supplier, does not lessen the latter's obligations and responsibilities and does not in any way modify the contractual terms.

Supplier shall submit every month, at the date or frequency specified by Owner, a progress report which shall include the updated work execution schedule showing the actual work status for each deliverable. Project plan including as a minimum (scope, schedule, procurement plan, quality plan, communication plan) shall be provided. Scope, schedule and communication plan to be provided within two (2) weeks, balance within six (6) weeks. Progress Reports including schedule updates shall be provided on a minimum monthly basis and, 2 months before the final delivery date shall be delivered on a biweekly basis.

Supplier shall provide evidences showing the actual work status (photos, calculation notes, etc.).

The report shall state the measures Supplier intends to take to correct any eventual delays.

35. DRAWINGS AND DOCUMENTATION

Supplier shall provide all drawings, documents and information as required for electrical, mechanical, civil, structural and hydraulic installation and maintenance.

36. QUALITY

36.1 Quality Assurance and Quality Control

The Supplier shall establish and maintain an inspection program for quality assurance complying with ISO-9001 standard or equivalent (the "Quality Plan") to be approved by Owner or the Consulting Engineer, which approval shall not be unreasonably withheld.

Supplier shall ensure quality control for all activities under the Contract, such as the design, manufacturing, installation, mounting or construction. The Quality Plan implemented by Supplier shall include the activities performed by the sub-contractors and their supervision. Furthermore, any sub-contractor acting as designer or supplier under the Contract shall comply with the applicable standards. Therefore, these sub-contractors shall each elaborate their quality plan which shall be integrated with Supplier's own Quality Plan.

If, according to Owner or the Consulting Engineer, Supplier is non compliant with the Quality Plan, it shall advise Supplier who shall at its sole expense correct any non-compliance.

36.2 Testing and Test Reports

(i) General

Supplier shall be responsible for all inspections and testing as required by the applicable laws. Supplier may use its own personnel and facilities or any independent testing organization acceptable to the federal and provincial agencies, and Owner. Owner reserves the right at Owner's sole cost to witness or perform any of the tests to verify the quality control. However, this will not relieve Supplier from the responsibility of any inspection and testing.

Owner may at any time, on reasonable notice, request a verification of the quality of fabrication, installation or material by requesting that the appropriate test be performed and /or supporting documentation be produced.

All components shall be fully tested in accordance with the relevant standards before their installation.

The Equipment and auxiliaries shall be shop assembled to the greatest practical extent, prior to inspection and delivery to the site.

Tests shall be made in accordance with the applicable standards set out in the Contract and all parts shall successfully withstand the tests. Production tests shall be performed as set out in the Contract.

Supplier shall provide to Owner a monthly report listing all minor non-conformities detected and remedy actions undertaken.

Supplier shall notify Owner expeditiously in writing of the detection of all manufacturing major non-conformances. Notice of a major non-conformance shall include proposed actions intended to remedy the non-conformance. Supplier shall not initiate remedial actions without the review of Owner. Should the proposed remedial actions be deemed inadequate by Owner, the required industrial standard procedure to correct the non-conformance shall be carried out by Supplier.

Additional tests may be specifically required by Owner in the technical specification section of the Contract Documents.

(ii) Witness

Owner reserves the right to witness any or all tests, plus any quality control tests performed, at no additional cost. Sufficient notification shall be given to allow Owner's Representatives to be present for the tests as defined in the schedule. A minimum of fifteen (15) working days shall be allowed when the facility where the tests are to be performed is located in Canada and a minimum of thirty (30) working days when such a facility is located outside Canada.

(iii) Failure to Pass Tests

If the Equipment fails to meet the test requirements of the standards, Owner shall be notified expeditiously and reserves the right to refuse the Equipment until defects are remedied.

(iv) Test Reports

Supplier shall use its best efforts to provide hand-written results of tests to Owner within two (2) days after completion of the tests and certified test reports within ten (10) days after completion of the tests (in two (2) copies).

37. METRIC SYSTEM

All instruments shall be calibrated and have their scales marked in the International System of Units known as SI (meter - kilogram - second).

All construction drawings and specifications, including building and equipment dimensions, mechanical arrangements and civil drawings, shall use SI units, except when the equipment's original manufacturing units are in Imperial Units, in which case, dimensions shall be referred to on the drawings and specifications in Imperial Units. Soft conversion of Imperial dimensions is not permitted except when the equipment's original manufacturing units are in Imperial Units.

38. PERFORMANCE TESTING

The Equipment shall be accepted upon satisfactory performance test results, as described and requested in the Contract and as follows:

- (i) When test results of the first performance testing do not meet the Contract requirements or the performance indicated in Supplier's quotation, Supplier shall make the necessary modifications at his own expense, as required by and to the satisfaction of Owner. Preliminary acceptance of the Equipment is then cancelled and a second performance testing shall be performed within the next fifteen (15) working days or as agreed by both parties.
- (ii) If the test results of the second performance testing are still not acceptable by Owner, and if further modifications by Supplier are required, the additional costs for testing shall be at Supplier's expense.
- (iii) In case of disagreement between Owner and Supplier with regard to test result interpretation, additional testing shall be performed by an independent contractor. The related costs shall be charged to the party being at fault.
- (iv) Owner shall allow Supplier access to the equipment and shall ensure adequate materials (iron ore) required for the performance test. Performance test shall demonstrate the conveyor(s) meets design capacity averaged over four hours of continuous operation.

39. DOCUMENT AND EQUIPMENT NUMBERING

Supplier shall number the supplied equipment assembly and sub-assembly in accordance with the numbering system that will be provided by Owner. Supplier is responsible to ensure the implementation of the numbering system throughout the project, in drawings, documents, equipment ID tags, etc.

HBdocs - 52

8302127.3

Attachment 4 - Notice of Legal Hypotech & Proof of registration

2013 -07- 19 ^{9:13}
heure-minute

20 134 490

CANADA
PROVINCE OF QUEBEC
REGISTRATION DIVISION OF SAGUENAY

**NOTICE OF LEGAL HYPOTHEC IN FAVOR OF PERSONS
HAVING TAKEN PART IN THE CONSTRUCTION OR
RENOVATION OF AN IMMOVABLE**

(ART. 2724 CIVIL CODE OF QUEBEC AND FOLLOWING)

DATE AND PLACE

IN THE YEAR TWO THOUSAND THIRTEEN, on the 17th day of the month of July, in the city of Montreal, province of Quebec.

NATURE OF THE NOTICE

Notice of legal hypothec in favor of a person having taken part in the construction or renovation of an immovable, in accordance with Article 2724 *Civil Code of Quebec* and following.

DESIGNATION OF THE PERSON GIVING NOTICE

Annie Bernard, lawyer, Montreal, province of Quebec.

DESIGNATION OF THE CREDITOR

BEUMER CORPORATION, a legal person having its head office at 800 Apgar Drive Somerset, New Jersey, USA, 08873.

DESIGNATION OF THE DEBTOR

THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP, having its principal place of business at 1155 University Street, Suite 508, Montreal, Quebec, H3B 3A7.

DESCRIPTION OF THE PROPERTY

The immovables hereby charged on which the construction or renovation work has been executed are known and designated as follows:

DESIGNATION

- a) all constructions, structures, improvements, restorations, additions, and immovable appurtenances erected on an immovable known and designated as being lots TWO, THREE, FOUR, FIVE, SIX, SEVEN AND EIGHT (2, 3, 4, 5, 6, 7 and 8) of the cadastre of the Township of Normanville, and lot NINE (9) of the cadastre of the Township of Lislois, all in the Registration Division of Saguenay;
- b) the real immovable rights of State resource development, in respect of which Land File serial number NINETY-SEVEN-A-EIGHT HUNDRED AND TWENTY-ONE (97-A-821) was opened at the Register of Real Rights of State Resource Development of the Registration Division of Saguenay, which Land File corresponds wholly to the immovable for which it was opened, namely Mining Lease number EIGHT HUNDRED AND SEVENTY-SEVEN (877) granted in virtue of the *Mining Act* (Québec) published at the aforementioned Land File on April 28, 2009 under number **16 115 987**, and all constructions, structures, improvements, restorations, additions, and immovable appurtenances erected thereon. The rights under said mining lease belong to THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP under the terms of a Deed of Transfer registered at the aforementioned Land File under number **16 414 644**.

AMOUNT OF THE CLAIM


The claim of the Creditor for work performed and for services and materials supplied at the request of the Debtor with regard to the immovable property described above, amounts to the sum of \$7,362,438.71, including taxes but excluding the interest at the rate specified in the contract, the additional indemnity provided for in Article 1619 of the *Civil Code of Quebec* and any costs incurred to recover or conserve the property.

INCREASE IN VALUE

The work, services and materials provided for by the Creditor have increased the value of the property above described in excess of the amount of the claim.

AND I HAVE SIGNED :

July 17, 2013



ANNIE BERNARD, lawyer, exercising my
profession at Fasken Martineau DuMoulin

LLP, at 800 Place Victoria, Suite 3700,
Montreal, Quebec, H4Z 1E9

CERTIFICATE OF ATTESTATION

Re: Notice of Legal hypothec in favour of Beumer Group, executed by
Annie Bernard, lawyer, on July 17, 2013.

I, the undersigned, JUSTINE FERLAND, lawyer, practising in the city of
Montreal, province of Quebec, certify that :

1. I have verified the identity, the quality and the capacity of Annie
Bernard;
2. The present Notice of Legal Hypothec represents the will expressed
by the party;
3. The present Notice of Legal Hypothec is valid as to its form.

CERTIFIED at the city of Montreal, province of Quebec, this July 17,
2013

Name : Justine Ferland

Title : Lawyer

Address : Stock Exchange Tower, 800 Place Victoria, Suite 3700,
Montreal, Quebec, H4Z 1E9



JUSTINE FERLAND, lawyer

Ressources naturelles
et Faune

Québec 

ÉTAT CERTIFIÉ D'INSCRIPTION
DE DROIT
AU REGISTRE FONCIER DU QUÉBEC

Je certifie que la réquisition présentée le 2013-07-19 à 09:13 a été inscrite au Livre foncier de la circonscription foncière de Saguenay sous le numéro 20 134 490.



Officier adjoint de la publicité foncière

Identification de la réquisition

Mode de présentation :	Avis	
Forme :	Sous seing privé	
Nature générale :	Hypothèque légale (construction)	
Nom des parties :	Créancier	BEUMER CORPORATION
	Débiteur	THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP

NO.: .

BEUMER CORPORATION
CREDITOR(S)
THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP
DEBTOR(S)

Mes Fasken, Martineau, DuMoulin, avocats

V.D.: 10051/294442.00001

Date présent. :

Personne Ress.: NATHALIE LABERGE MELANIE MARANDA
Notre dossier : 3705002-01 NLA

- RAPPORT DE SIGNIFICATION -

Je, soussigné(e), JEFF LORTIE, HUISSIER STAGIAIRE du Québec, ayant un bureau d'affaires au 407 Saint-Laurent, Montréal (514-878-3143) certifie que:

LE 25ième jour de juillet 2013 à 10:12 heures

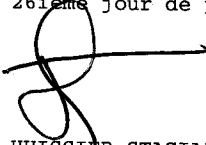
J'ai signifié, à l'intention de son destinataire, la COPIE CERTIFIEE CONFORME de l'acte de procédure suivant NOTICE OF LEGAL HYPOTHEC IN FAVOR OF PERSONS HAVING TAKEN PART IN THE CONSTRUCTION OR RENOVATION OF AN IMMOVABLE AND CERTIFICAT OF ATTESTATION à:

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP
1155 RUE UNIVERSITY, SUITE 508, MONTREAL**

EN LAISSANT A SON ETABLISSEMENT D'ENTREPRISE, EN PARLANT A UNE PERSONNE RAISONNABLE QUI EN A LA GARDE ET AUTORISEE, LAQUELLE EST HABILITEE A RECEVOIR LA SIGNIFICATION & S'ETANT NOMMEE COMME ETANT BEATRICE DE FABRIQUE.

J'ai noté sous ma signature, au verso de l'acte de procédure, la date et l'heure de la signification.

Montréal, ce 26ième jour de juillet 2013



JEFF LORTIE, HUISSIER STAGIAIRE

Frais taxables

SIGNIFICATION 8.00
Routes 002km 2.74

TPS: .54
TVQ: 1.07
SOUS-TOTAL: 12.35

Frais extra-judiciaires

GESTION E.J.' 6.00

TPS: .30
TVQ: .60
SOUS-TOTAL: 6.90

Honoraires	16.74
Déboursé(s)	
Sous-total	16.74
TPS (836365403)	.84
TVQ (1217079124)	1.67
Total	19.25

1322729

Beumer Corporation (Intervenant numéro : 92316)

800 Apgar Drive
Somerset, New-Jersey
États-Unis, 08873

Type d'acte : Avis d'une hypothèque légale

Numéro d'inscription : 55250

Date d'inscription : 06 août 2013

Créancier

Numéro

92316

Nom / Adresse

Beumer Corporation

800 Apgar Drive
Somerset, New-Jersey
États-Unis, 08873

Débiteur

Numéro

86582

Nom / Adresse

Bloom Lake Iron Ore Mine Limited Partnership

1155 University, Suite 508
Montréal, Québec
Canada, H3B 3A7

Titre(s) visé(s) par l'acte relatif à un droit minier

Localisation

Canton NORMANVILLE

Numéro

BM 877

Nombre de titres : 1

Québec, le 07 août 2013

Le registraire : Catherine Asselin

Le 6 décembre 2013

Fasken Martineau Dumoulin
Att.; Madame Annie Bernard
800 Place Victoria, bureau 3700
Québec (Québec) H4Z 1E9

Objet : Inscription d'un préavis d'exercice d'un droit hypothécaire
Requête : 1366380

Madame,

La présente a pour but de vous informer que nous avons procédé, à l'inscription du préavis d'exercice d'un droit hypothécaire impliquant les compagnies Beumer Corporation et Bloom Lake Iron Ore Mine Limited Partnership, affectant le bail minier BM 877.

Cet acte a été inscrit au *Registre public des droits miniers, réels et immobiliers* le 3 décembre 2013, sous le numéro 55389.

Vous trouverez ci-joint le certificat d'inscription confirmant les détails de l'inscription dont nous vous demandons de bien vouloir vérifier l'exactitude des données qui y sont inscrites.

Veuillez agréer, Madame, l'expression de nos sentiments les meilleurs.


Catherine Asselin, registraire

p.j

1366380

Bloom Lake Iron Ore Mine Limited Partnership (Intervenant numéro : 86582)

1155, rue University, suite 508
Montréal, Québec
Canada, H3B 3A7

Type d'acte : Préavis d'exercice

Numéro d'inscription : 55389

Date d'inscription : 03 décembre 2013

Créancier

Numéro

92316

Nom / Adresse

Beumer Corporation

800 Apgar Drive
Somerset, New-Jersey
États-Unis, 08873

Débiteur

Numéro

86582

Nom / Adresse

Bloom Lake Iron Ore Mine Limited Partnership

1155, rue University, suite 508
Montréal, Québec
Canada, H3B 3A7

Titre(s) visé(s) par l'acte relatif à un droit minier

Localisation

Canton NORMANVILLE

Numéro

BM 877

Nombre de titres : 1

Québec, le 03 décembre 2013

Le registraire : Catherine Asselin

1366380

Beumer Corporation (Intervenant numéro : 92316)

800 Apgar Drive
Somerset, New-Jersey
États-Unis, 08873

Type d'acte : Préavis d'exercice

Numéro d'inscription : 55389

Date d'inscription : 03 décembre 2013

Créancier

Numéro	Nom / Adresse
92316	Beumer Corporation

800 Apgar Drive
Somerset, New-Jersey
États-Unis, 08873

Débiteur

Numéro	Nom / Adresse
86582	Bloom Lake Iron Ore Mine Limited Partnership

1155, rue University, suite 508
Montréal, Québec
Canada, H3B 3A7

Titre(s) visé(s) par l'acte relatif à un droit minier

Localisation	Numéro
Canton NORMANVILLE	BM 877

Nombre de titres : 1

Québec, le 03 décembre 2013

Le registraire : Catherine Asselin

2013 -11- 12 9:00
heure-minute

20 390 319

**PRIOR NOTICE OF EXERCISE OF THE HYPOTHECARY
RIGHT OF SALE BY JUDICIAL AUTHORITY
(Sections 2757 and following CCQ)**

NOTICE IS GIVEN TO YOU AS FOLLOWS :

DATE AND PLACE OF NOTICE

On the 5th day of November, Two Thousand Thirteen (2013), at Montreal, Province of Quebec.

NATURE OF NOTICE

Prior Notice of Exercise of Hypothecary Right pursuant to Articles 2757 and following of the Civil Code of Quebec.

The hypothecary right that the Creditor intends to exercise is a sale under judicial authority.

PERSON GIVING THE NOTICE

Me Annie Bernard, attorney, practising her profession with the law firm Fasken Martineau DuMoulin LLP, having a principal place of business at 800 Place Victoria, Suite 3700, in the City of Montreal, Province of Quebec, H4Z 1E9.

CREDITOR

BEUMER CORPORATION, a legal person having a place of business at 800 Apgar Drive Somerset, State of New Jersey, USA, 08873;

DEBTOR

THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP, legal person having its principal place of business at 1155 University Street, Suite 508, in the city of Montreal, province of Quebec, H3B 3A7;

QUALIFICATION AND REGISTRATION NUMBER OF RIGHT IN QUESTION

By notice of legal hypothec by the Creditor, in accordance with Article 2729 of the *Civil Code of Quebec*, published at the Registry Office for the registration division of Saguenay, on July 19, 2013 under number 20 134 490, the Creditor registered against the immovable property described below a legal hypothec:

DESIGNATION

- (a) all constructions, structures, improvements, restorations, additions, and immovable appurtenances erected on an immovable known and designated as being lots TWO, THREE, FOUR, FIVE, SIX, SEVEN AND EIGHT (2, 3, 4, 5, 6, 7 and 8) of the Cadastre of the Township of Normanville, and lot NINE (9) of the Cadastre of the Township of Lislois, all in the Registration Division of Saguenay;
- (b) the real immovable rights of State resource development, in respect of which Land File serial number NINETY-SEVEN-A-EIGHT HUNDRED AND TWENTY-ONE (97-A-821) was opened at the Register of Real Rights of State Resource Development of the Registration Division of Saguenay, which Land File corresponds wholly to the immovable for which it was opened, namely Mining Lease number EIGHT HUNDRED AND SEVENTY-SEVEN (877) granted in virtue of the Mining Act (Québec) published at the aforementioned Land File on April 28, 2009 under number 16 115 987, and all constructions, structures, improvements, restorations, additions, and immovable appurtenances erected thereon. The rights under said mining lease belong to THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP under the terms of a Deed of Transfer registered at the aforementioned Land File under number 16 414 644.

(the "Immovable Property")

DESCRIPTION OF THE DEBTOR'S DEFAULT AND HYPOTHECARY RECOURSE

The Debtor is in default to acquit the amounts owed to the Creditor for work performed and for services and materials

supplied at the request of the Debtor with regards to the Immovable Property, amounts in the sum of \$ 7,362,438.71, including taxes but excluding the interest at the rate specified in the contract, the additional indemnity provided for in Article 1619 of the Civil Code of Quebec and any costs incurred to recover or conserve the property.

RIGHT TO REMEDY THE DEFAULT

As a consequence of the foregoing, the debtor is called upon to surrender the Immovable Property within sixty (60) days from the filing of the present Notice at the Registry Office for the registration division of Saguenay, to enable the Creditor to sell the Immovable Property by judicial authority pursuant to articles 2791 and following of the Civil Code of Quebec.

The debtor owner, or, if applicable, grantor of emphyteutic rights against whom a hypothecary right is exercised, or any other interested person, may defeat the exercise of the rights set forth in this Prior Notice, however, by paying the Creditor the amount due to him and/or, where such case by remedying any other omission or breach set forth herein and/or any subsequent omission or breach, and, in all events, by paying the costs incurred (Article 2761 C.C.Q.)

GOVERN YOURSELF ACCORDINGLY.

MONTREAL, November 5, 2013

Annie Bernard -

**Me Annie Bernard, lawyer
Fasken Martineau DuMoulin LLP
Attorney for Creditor BEUMER
CORPORATION**

Anabel Ufayen

WITNESS

Luc Lamontagne

WITNESS

SWORN DECLARATION


I the undersigned, Anabel Mayer, Paralegal, having my professional place of business at 800 Place Victoria, Suite 3700, Montreal, Province of Quebec, H4Z 1E9, solemnly declare:

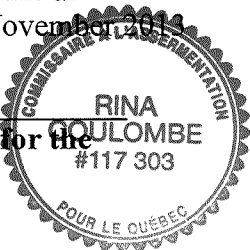
1. I am one of the two (2) witnesses to the signature of the Prior Notice of the Exercise of a Hypothecary Right attached hereto by BEUMER CORPORATION represented by Me Annie Bernard, attorney;
2. The Prior Notice was signed by Me Annie Bernard in my presence and in the presence of the other witness.
3. The other witness as well as myself are of the legal age;

AND I HAVE SIGNED:


Anabel Mayer

Solemnly declared before me at
Montréal, the 5th day of November 2014


Commissioner of Oaths for the
Province of Quebec



Mes Fasken, Martineau, DuMoulin, avocats
ME ANNIE BERNARD
V.D.: 10051/294442.00001

NO.: .

BEUMER CORPORATION
CREDITOR(S)
THE BLOOM LAKE IRON ORE MINE LIMITED
PARTNERSHIP
DEBTOR(S)

Date présent. :

Personne Ress.: NATHALIE LABERGE MELANIE MARANDA
Notre dossier : 3738050-01 SG 24

- RAPPORT DE SIGNIFICATION -

Je, soussigné(e), SIMON GOSSELIN, HUISSIER DE JUSTICE du Québec, ayant un bureau d'affaires au 407 Saint-Laurent, Montréal (514-878-3143) certifie sous mon serment d'office que:

LE 7ième jour de novembre 2013 à 12:20 heures


J'ai signifié, à l'intention de son destinataire, la COPIE CERTIFIÉE CONFORME de l'acte de procédure suivant PRIOR NOTICE OF EXERCISE OF THE HYPOTHECARY RIGHT OF SALE BY JUDICIAL AUTHORITY AND SWORN DECLARATION à:

**THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP
1155 RUE UNIVERSITY, SUITE 508, MONTREAL**

EN LAISSANT A SON ETABLISSEMENT D'ENTREPRISE, EN PARLANT A UNE PERSONNE RAISONNABLE QUI EN A LA GARDE ET AUTORISEE, LAQUELLE S'ETANT NOMMEE COMME ETANT BEATRICE DE FABRIQUE.

J'ai noté sous ma signature, au verso de l'acte de procédure, la date et l'heure de la signification.

Montréal, ce 7ième jour de novembre 2013



SIMON GOSSELIN, HUISSIER DE JUSTICE

Frais taxables

SIGNIFICATION 8.00
RED. LEGAL' 6.00
Routes 002km 2.74

TPS: .84
TVQ: 1.67
SOUS-TOTAL: 19.25

Frais extra-judiciaires

GESTION E.J.' 6.00

TPS: .30
TVQ: .60
SOUS-TOTAL: 6.90

Honoraires	22.74
Débourcé(s)	
Sous-total	22.74
TPS (836365403)	1.14
TVQ (1217079124)	2.27
Total	26.15

Saulnier Robillard Lortie Inc., 407, boulevard Saint-Laurent, bureau 700, Montréal (Québec), H2Y 2Y5
Tél.: (514) 878-3143 Téléc.: (514) 954-9981 Site: www.huissier.qc.ca Courriel: info@huissier.qc.ca
Bureau de Laval: 249, Boul. Ste-Rose, bureau 109, Laval (Québec), H7L 1L8, Tél.: (450) 662-0955

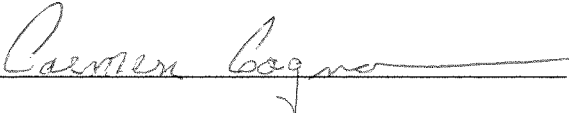
ORIGINAL

Ressources
naturelles

Québec 

ÉTAT CERTIFIÉ D'INSCRIPTION
DE DROIT
AU REGISTRE FONCIER DU QUÉBEC

Je certifie que la réquisition présentée le 2013-11-12 à 09:00 a été inscrite au Livre foncier de la circonscription foncière de Saguenay sous le numéro 20 390 319.



Officier adjoint de la publicité foncière

Identification de la réquisition

Mode de présentation :	Avis	
Forme :	Sous seing privé	
Nature générale :	Préavis d'exercice - Vente sous contrôle justice	
Nom des parties :	Créancier	BEUMER CORPORATION
	Débiteur	THE BLOOM LAKE IRON ORE MINE LIMITED

April 5, 2013

Pascal Vallée
Directeur de Projet & Améliorations
The Bloom Lake Iron Ore Mine Limited Partnership
1155 rue Université, suite 508
Montréal, Québec, H3B 3A7
Canada

BEUMER Kansas City LLC
4435 Main Street • Suite 600
Kansas City • MO 64111
USA

T. +1 816 245 7260
F. +1 816 605 1693
usa_bkc@beumergroup.com
www.beumergroup.com

Without Prejudice

Ref: The Bloom Lake Phase II Project

Dear Mr. Vallée,

Throughout this project Beumer has attempted to address claims in the spirit of the contract. Over recent months, including Brad Williams' recent unanswered letter requesting response by March 27, we have requested that Cliffs address our claims and provide timely information of your own claims. Despite our inquiries, formal notices, and repeated attempts at good faith resolution we have made little progress. Cliffs' avoidance of meaningful discussion about Beumer's claims and reference to your own without any cost or explanation has shadowed the whole project since July 2012. Despite this Beumer has continued to work toward successful completion of our contractual obligations.


As you no doubt were already aware, Brad's letter informed you that Beumer has been severely short of cash since we completed our deliveries last year. Cliffs suspended installation, delaying your completion for months, and accordingly the milestones that would have resulted in payments of around \$7 million to Beumer months ago. Brad's letter requested restructuring the contract and meeting immediately to resolve all issues.

Our impression is that Cliffs does not intend to resolve Beumer's claims promptly or in good faith and therefore we have no choice but to make formal demand for immediate action. We politely require your response to the following demands by April 11, 2013 or Beumer will be forced to start legal proceedings.

- Respond fully to Brad Williams' letter of March 21, 2013
- Respond in full to all claims listed in Summary of Outstanding Issues - Appendix A
- Provide details of all of Cliffs' claims against Beumer
- Document the retainage escrow account required by contract including earned interest
- Set a mutually agreeable date to meet and resolve all claims within next 30 days
- Provide adequate assurance that Cliffs' will pay Beumer promptly considering Cliffs' project suspensions that have delayed milestone completion

We provide the attached Summary of Outstanding Issues to clarify our positions on all issues we are aware of. We request your earliest response so we may proceed with plans to assist you in completing the installation next month. Dr. Dalstein will call you next week to schedule a meeting.

Sincerely,



BEUMER Kansas City LLC
President

cc: Cliffs Natural Resources Inc.
Attn : North American Legal Department
1100 Superior Avenue, Suite 1500
Cleveland, Ohio 44114

SUMMARY OF OUTSTANDING ISSUES

1 Delay and Inefficiency (Claims 611-010015-K and 611-010015-S)

We call your attention to the meeting of August 22-24, 2011, when Beumer presented its preliminary schedule and advised Cliffs that the project would be delayed if awarded after September 1. Cliffs approved the preliminary schedule on September 19 and contracts were finally signed five (5) weeks later on October 5, with no schedule adjustment. Beumer immediately began implementing the complex plan we had been developing with you over prior months to complete the project efficiently and on schedule.

We emphasize that this project included the fabrication of 6000 tons of steel on an extremely aggressive, fast-track schedule; there was no room for change. Success depended on sequencing and coordinating everything from design and procurement through delivery to Bloom Lake. Of course it was anticipated and understood that Cliffs' installation would be coordinated with the Beumer supply.

With contracts signed, Beumer began design and verbally directed its fabricator, NAFCO, to begin fabrication activities. Essential to Beumer's plan were early design decisions to enable procurement of the cold weather steel, which required a longer lead time. Design was sequenced to enable earliest steel procurement to begin fabrication to both meet the schedule and optimize use of fabrication resources. Based on Beumer's early design efforts and the project schedule, a purchase order to NAFCO was issued immediately; they ordered materials and scheduled fabrication. Any change or delay from this point forward would cost time and money.

Multiple changes by Cliffs and failure to provide timely carriers made adherence to the original schedule impossible and each time effectively rescheduled the work. Every change in sequence affected our ability to complete the work efficiently from engineering through fabrication.

Compounding the problem and in addition to not acknowledging its own fault for delays, Cliffs ignored Beumer's attempts to present realistic schedules, and even on occasion insisted that we publish schedules showing dates we told Cliffs were not realistic.

1.1 Freight and Preassembly

Prior to entering the contract, Cliffs agreed that Beumer could best manage the fabrication schedule and ultimately effectuate timely deliveries to the site by also managing offsite preassembly and freight. For this reason the contract expressly incorporated the condition that Beumer would perform this role pursuant to a forthcoming change order (Exhibit A of the Purchase Agreement.) After meeting with GPSI, Beumer issued our December 28, 2011 letter indicating our concern that introducing third parties into this process would complicate coordination of fabrication, freight, and preassembly, and result in delays and extra costs. Cliffs rejected Beumer's proposals and acted against our advice in the direct hiring of others to prosecute this phase of the supply. One of Beumer's primary concerns was the lack of storage space at Fransi which would later prove to be deficient and an underlying cause of congestion at NAFCO's plant.

By this change, Beumer lost the flexibility and control to synchronize fabrication, shipping, and preassembly that the contract led us to anticipate. Our contract price and schedule were based on our plan to fabricate all parts in the most efficient manner and ship immediately to site laydown or a preassembly storage yard where parts would

be marshaled and drawn from as needed. Instead, we were repeatedly forced to sequence parts on demand with limited storage capacity at the destinations, resulting in congestion at NAFCO's plant, double handling, inefficient production, and storage costs. Throughout the project, changes to the schedule and insufficient logistics led to a chronic shortage of the trailers and laydown space necessary to accept steel that was ready for shipment.

Importantly, Beumer's project plan placed all responsibility for fabrication, freight, and preassembly into one subcontract to NAFCO under our oversight. All of the coordination and schedule responsibility was to be placed with one entity, leaving little room for confusion or conflict—NAFCO would have had the ability to control every phase of the supply chain up to site delivery, and the responsibility to coordinate it. When Cliffs changed Beumer's contract, Beumer and NAFCO lost both the ability to control anything past the plant door and the responsibility to coordinate it. Constraints in preassembly and transportation (and changes in the installation sequence) controlled by others flowed back into fabrication and engineering, costing time and money for which Cliffs is now liable. Though this decision was within Cliffs' realm, it must pay Beumer for the additional cost consequent of the change and accept the resulting delays.

Cliffs' removal of preassembly and freight from our contract truncated Beumer's responsibility for the delivery schedule after it reached NAFCO's shipping dock in Alabama. Beumer fulfilled its FCA obligations by delivering to Cliffs' carriers at NAFCO's dock as defined in the contract (Exhibit C to the Purchase Agreement). Even though our December 28, 2011 letter asked for modification of the contract to clarify the scopes of responsibility after removal of freight and preassembly, it was never provided by Cliffs.

Cliffs was obligated to provide carriers to accept delivery at the location specified in the contract and is liable for its failure to do so repeatedly during the fabrication process. Incoterms 2010 FCA Section A4 provides that "the seller must deliver the goods to the carrier or another person nominated by the buyer at the agreed point, if any, at the named place on the agreed date or within the agreed period." When the seller complies with Section A4, Section B4 requires that the buyer pay "any additional costs incurred" because "the carrier or person nominated by the buyer as envisaged in A4 fails to take the goods into its charge." Cliffs is thereby liable to provide compensation for its failure to take timely delivery. Moreover, under the Section 13 of the Terms and Conditions, "[i]f Owner postpones any shipment by more than 45 days and such postponement causes modifications in costs of, and/or delivery schedule for, the Equipment and Supply, the Parties shall negotiate in good faith and a reasonable adjustment to the total price payable...and/or the delivery schedule." As Cliffs postponed several shipment dates by more than 45 days, it is also liable to provide additional compensation under Section 13.

Cliffs' allegation in its March 1, 2013 letter that the delays resulted from NAFCO's failure to provide sufficient notice of its need for trailers is demonstrably false. As early as February 2, 2012, NAFCO notified Cliffs of the trailer shortage and accruing additional costs and continued to frequently communicate such issues through at least October 26, 2012 (see Appendix E attached). Accordingly, Cliffs not Beumer (or NAFCO), was responsible to remedy the trailer shortage. The records show that since early 2012 Cliffs communicated directly with NAFCO, ignoring the project management protocol Beumer repeatedly requested. Cliffs was in daily communication with NAFCO concerning shipments. In the spirit of cooperation, Beumer reluctantly adapted, but Cliffs is no less responsible for the consequences of directing our supplier.

Cliffs' failure to remedy the shortage not only impacted the schedule but resulted in inefficiencies and additional handling costs. For example, as reflected in claim 611-010015-S, NAFCO incurred 600 additional straight time hours at a cost of \$33,000.00 for double handling of steel to load trailers for shipment to the jobsite for the time period from August 1 through October 31, 2012.

Beumer didn't agree by contract to deliver material just-in-time to satisfy erection and preassembly demands, and we didn't agree to align the fabrication effort to enable the erector to unload trailers in a particular sequence. These were changes demanded by Cliffs that Beumer accommodated to facilitate installation and preassembly, but we now demand to be compensated for the additional cost and insist that consequent delivery delays were caused by Cliffs' changes and not by Beumer.

Though some changes were driven by circumstances at site and possibly necessary, Beumer must nevertheless be paid for the extra cost we incurred as a result of things beyond our control. Beumer provided notice of these issues as early as its December 28, 2011 letter and in various other communications, but the problems persisted and Cliffs has not responded in any meaningful way to our request for additional compensation.

1.2 Schedule and Design Changes

1.2.1 December 2011 Schedule Change

Eventually on December 8, 2011, Cliffs issued a construction schedule for on-site construction which differed significantly from the schedule approved in September. Although the contract required only that Beumer meet the specified FCA delivery dates, Cliffs demanded that we accomplish the new schedule. Adjusting to the new schedule after more than two months impacted nearly every aspect of fabrication and advanced our delivery dates by as much as six weeks earlier. To further explain:

- The contract required us to deliver the west end on-grade conveyor sections by FCA delivery to NAFCO's plant on March 19, 2012; the construction schedule issued in December accelerated this date approximately six weeks by requiring us to deliver the same materials in time for transport to Fransi's plant, preassembly at Fransi's plant, and delivery from Fransi's plant to the project for installation starting on March 9, 2012.
- Due to this change all associated procured equipment had to be expedited.
- Similarly, the original schedule required the delivery of bents (photo) in late May where the new schedule required delivery in March.
- 48-meter truss sections that had been underway had to be held at NAFCO because Cliffs wouldn't allow frames to ship without all of the bracing members to attach them to one another.
- Project engineering had to shift to on grade intermediate sections and away from its planned sequence of engineering.



These changes required us to completely change our fabrication approach from controlled and balanced sequencing to a just-in-time approach, resulting in significant additional fabrication cost. We notified you of these issues through the same December 28, 2011 letter in which we requested extensions of liquidated damages and informed you that continued disruption and sequence changes in the fabrication process would result in further delays and costs. You directed us to proceed and verbally assured us that our claims would be fairly considered later. As expected, NAFCO rightly demanded compensation and we provided it. Despite our repeated

requests, you have failed for over a year now to address the matter in any reasonable manner or as we requested issue appropriate change orders for compensation.

1.2.2 Early Design Changes

In addition to changing the schedule, Cliffs issued an excessive number of design changes that delayed Beumer's progress at the beginning of the project, including:

- Cliffs' request to change the foundation elevations at the Ore Storage Building
- Delayed resolution of Ore Storage egress requirements
- Cliffs adding stacker foundations to the Ore Storage Building
- Wind wall relocation
- Relocation of the Cable Tray on the OLC conveyor, (also caused re-purchase of steel and oversize shipping loads)
- Cable Tray loading changes
- Request to change the elevation at the tail end of the OLC
- Change in foundation heights at the OLC to Tripper Tower

We provided notice of the delay impacts of these changes in our December 28, 2011 letter. We affirmed our commitment try to meet desired dates, but asked for LD relief and warned that further changes would certainly delay the work and increase cost. Notably, we requested little in the way of compensation for the changes up to that point.

1.2.3 March 2012 Schedule Change

On March 8, 2012, after we incurred the cost to adjust to the December 8, 2011 schedule, Cliffs issued a second new schedule that largely undid the previous schedule change while leading to several costly procurement, fabrication, and delivery issues. For example:

- Schedule Sequence was completely revamped

Original Schedule Sequence

1. TT2 drive and transfer tower
2. TT1 tower
3. OL Conveyor east end to west, west end to east
4. Sacrificial Conveyor
5. TT5 Bent tower
6. OSS (ore storage shed)
7. Tripper conveyor
8. Tripper

Revised Schedule Sequence

1. Deck Sections , 36/48 /60 meter galleries
2. 18 meter trusses
3. TT5 bent tower
4. Bents ship in opposite directions from TT5 bent tower
5. TT2 drive and transfer tower
6. TT1 tower and sacrificial conveyor
7. OSS with tripper conveyor w / tripper

- While the original schedule called for OLC erection from the ends to the middle, the March schedule changed the focus from west to east (tail end) to east to west (Head end).

- Due to delays in installing foundations, Cliffs' revised schedule now required on-grade truss sections to begin installing on May 26, 2012. All the effort to support the March installation dates for the on-grade frames and TT-2 was misdirected. Field photos confirm that the foundations for the initial planned installation were not in place until after June 9th.

- Photo taken on June 9th. Looking east across Lake Mazare toward the crusher. No foundations poured for any of the first 34 on grade sections assembled at Fransi per the Dec. 8th schedule.



- Tower 5 and the bents between it and tower TT-2 became the new priority. Tower 5 was now required in March, when it was previously not due until May.

- The new schedule accelerated the delivery of the bents between Tower 5 and Tower TT-2. NAFCO could not, however, begin fabrication of the bents because the late schedule change left insufficient lead time to procure cold weather steel. To continue progress while waiting on the steel, NAFCO continued fabricating 18-meter galleries. Cliffs refused to accept delivery of the galleries because Fransi had no space to store them. As a result, at one point in April 2012, NAFCO had 59 trailers of completed frames at its location ready for delivery, resulting in significant double handling.



- Since site erection did not start until mid-May, Fransi was overwhelmed with on-grade sections. This caused 8 additional loads of the 36 & 48 meter sections to be stored and double handled at NAFCO.
- As a result of the schedule changes and pre-assembly issues, Cliffs required additional pre-assembly support and frequently directed Beumer (and NAFCO directly) to fabricate sequences piecemeal to support preassembly and installation. For example, NAFCO started and stopped fabrication of the 780 1D42-2 U-frame conveyor supports six times from January 2012 through June 2012 to support Fransi's preassembly because of the evolving plan for preassembly and Fransi's lack of storage space. Beumer bid the project on the basis of more efficiently fabricating complete sequences before moving to another sequence.

1.2.4 Schedule Acceleration

On July 5, 2012 Beumer attended meetings at Bloom Lake and shared with Cliffs the latest delivery schedule from NAFCO. Ms. Dorian demanded that Beumer direct NAFCO to take any measures necessary to improve

their projected schedule, including overtime and subcontracting portions of the fabrication. Mr. Warmoth called NAFCO from the site and required immediate response as to the effects. Accordingly, we issued our July 14, 2012 notice email (see Appendix D attached) further detailing the existing and anticipated impacts of Cliffs' demands and past actions. This included claim 611-010015-K (\$627,500) for acceleration and other change costs already incurred, as well as a proposal for an additional \$454,000 for anticipated acceleration costs to meet the September delivery schedule Cliffs requested at the July meeting. There was no written response to Beumer's notice, and effectively the acceleration decision date stated in the letter of July 18 expired, even though NAFCO had by then proceeded with measures to improve the dates.

In the first week of August 2012, Robert Allard and Frank Warmoth discussed the claims in Kansas City, and Mr. Allard (speaking on behalf of Ms. Dorian) acknowledged Cliffs' partial liability for extra compensation reflected in 611-010015-K. During this dinner meeting Mr. Warmoth stated that despite the expiration of Cliffs' formal acknowledgement or commitment to pay further acceleration costs, Beumer remained committed to completing the work timely and would proceed on Cliffs' verbal assurances. It was also noted by Mr. Warmoth that Cliffs did not respond timely to implement all of the acceleration measures but that NAFCO had already taken some steps to improve deliveries.

Prior to September 2012, NAFCO produced a schedule showing that our completion would be delayed to the end of November 2012 as a result of Cliffs' continued disruption of our work flow and refusal to compensate us for acceleration costs to maintain the schedule. Thereafter, at a meeting on September 4, 2012 between Cliffs, Beumer, and NAFCO, you directed Beumer and NAFCO to accelerate to achieve final delivery by October 31, 2012. We accelerated to this date by further outsourcing to other shops and using 5100 hours of NAFCO shop overtime. NAFCO rightly demanded compensation and we provided it in the amount of \$223,600.00 as reflected in claim 611-010015-S. It should be noted that the cost was lower than the earlier \$454,000 for anticipated acceleration costs and the September schedule was not achieved because Cliffs denied the first request.

From July through September Cliffs ignored Beumer's and Nafco's schedule forecasts and cautions that deliveries would be later, demanding instead that we show desired dates that were in doubt. Cliffs denied fault and denied compensation to compress the schedule. Despite this, in the best interest of the project Beumer and Nafco elected to press forward and settle the matter later.

1.3 Cliffs' Inadequate Response

On February 28, 2013, after a wholly unjustified delay, Cliffs issued its first formal response via a letter in response to Beumer's November 30, 2012 letter seeking resolution of several outstanding claims. In responding, Cliffs completely failed to acknowledge that its management of the project had any detrimental impact whatsoever to our schedule or cost, including in several instances where such impact is beyond reasonable dispute. Moreover, the response failed to even acknowledge the largest of our outstanding claims (611-010015-K). We conclude that the timing and substance of this response demonstrate a lack of good faith willingness to fairly resolve our claims, contradicting the assurances on which we relied throughout the project.

2 Extra Work

2.1 Welding A-Frames

The A-Frame trusses for the Ore Storage Shed were designed to be bolted or welded. Beumer's standard procedure is to bolt these large trusses to allow for a more efficient fabrication process. In March, 2012 Cliffs directed Beumer to shop weld the trusses in order to save field labor costs. (See email from Gary Campbell dated March 6, 2013.) To do so, NAFCO stacked all cranes in one bay to make a single lift/turn for welding and then

had to use mobile equipment to cut them apart and reassemble in order to blast, paint, and load these structures. NAFCO had to mobilize their field crews to their shop in order to splice the structures outside of the plant. UT testing was required on all outside splicing to confirm full penetration welds. Since specialized trailers / carriers are required for these massive structures, the oversized A-frames had to be loaded onto rented trailers and then reloaded and touched up on double-drop stretch trailers. The additional cost of welding and effort/equipment necessary to accomplish this task was \$261,500.00. Even though Robert Allard verbally acknowledged the impacts this caused NAFCO, Cliffs has not responded to the change request (611-010015-K).

2.2 Additional Engineering for Tripper Gallery Enhancements (611-010015-Q)

We repeat our request included in Brad Williams' letter of March 21st. We reject Cliffs' position that this extra work resulted from Beumer delays.

“Beumer hereby submits our request for reimbursement for additional engineering time, not included in the original contract scope. This request required evaluating and/or providing structural design enhancements to the OSS building for support of the Tripper Gallery. The goal was to enable operation of the tripper conveyor before the OSS structure was fully erected. Tripper operation prior to completing the OSS erection was contrary to the installation sequence submitted by Beumer on drawing L-280 of the contract drawings and constitutes a change in scope. Engineering evaluations began in late September, officially requested on the 27th of September by Yannick Nadeau and continued through October 31st when the engineer of record issued a confirming letter to the effect that the tripper gallery, with the conveyor installed, could be operated within the design criteria submitted. There were additional structural requirements needed to accommodate the early installation. Additional bracing had to be added to the existing structure. Only the engineering for the analysis for early installation and design of the additional bracing is included in this request. Beumer has assisted Cliffs by providing the engineering analysis and designs to allow early operation of the tripper conveyor. This work is a reimbursable item, as an extra to the Beumer's original scope of work.”

2.3 Additional Engineering for Dust Loading (611-010015-T)

We reject Cliffs' position that Beumer should have included dust loadings that were not specified. Surprisingly, in light of Cliffs' concern there is not one mention of dust in the project specifications; neither in the loadings section which is quite specific, or in any of the many sections where the building is described. Further confusion comes from the fact that the shed is open at ground level all around up to 10 meters, and the ends of the building were originally quoted as open – Beumer provided option pricing to enclose the ends. If Cliffs was positive dust will collect on the structure, it should have been required by specification so Beumer and all others could have bid and been evaluated on the same basis.

“Beumer hereby submits our request for reimbursement for additional engineering time not included in our original contract scope. Cliffs requested Beumer to evaluate dust accumulation on the OSS structure. This engineering effort was not part of the original scope of design as indicated by either the job specifications or by the National Building Code of Canada.”

3 Payment of Outstanding Contract Balance Due

We repeat our request included in Brad Williams' letter of March 21st (see Appendix B attached). Cliffs materially changed the contract by delaying installation multiple times for extended periods and not staffing the project to complete installation in the expected timeframe. We will delay scheduling commissioning site support

until we have adequate assurance of Cliffs' intentions concerning remaining payments. The below request remains unanswered from Cliffs:

“The new timeframes for commissioning and operational support differ significantly from the original contract. Beumer completed 99% of our deliveries in October 2012, and exceeded the installation support hours included in the contract last year. We paid all of our suppliers including over \$1 million in additional claims from NAFCO as we communicated earlier. Consequently, Beumer has spent more than 100% of the budgeted cost. As Beumer has been paid only 85% of the contract, it has been in a very negative and unsustainable cash position for some months. This is mostly the direct result of Cliffs' schedule changes that materially affected payments we anticipated according to your earlier construction schedules.

Therefore, Beumer respectfully request that the original contract be amended to account for the effects of the revised schedule. We request prompt settlement of all issues and closure of the supply contract, with issuance of a new contract for the remaining site representation. The current contract requires the final 5% payment upon acceptance testing and the release of retainage payment from the joint escrow account upon plant operation, both originally scheduled to complete shortly after completion of Beumer's deliveries and before the end of 2012. We are willing provide a warranty bond in order to expedite closure and payment.”

3.1 Escrow Account

While Exhibit C allows Cliffs to withhold 10% of each invoice, it also requires Cliffs to place the retained amounts in an interest bearing escrow account in which Beumer has dual signatory rights and rights to half of the interest. On January 30, 2013 Beumer sent an email to Pascal Vallee requesting evidence that this account had been established. To date, Cliffs has failed to respond to this request. If you have met this requirement, we demand to know all relevant information regarding account. If you have not, we demand that you immediately create such an account, fund it with the retained amounts and such amounts necessary to account for interest that would have accrued from the beginning of the project had you established the account in accordance with the terms of the contract, and provide all relevant information regarding account.

4 Potential Cliffs' Claims

Although we expect that any claims that you may assert at this point will be severely untimely, we request that you immediately set forth all claims in detail. In making this request, we note that you have thus far made only vague references to claims and have failed to notify us of any claim details whatsoever, much less meet your obligation to formally assert such claims. We make this request to obtain the information necessary to mitigate future damages and in no way waive any defenses.

4.1 QRT's and Beumer Site Representation

Mr. Nadeau accurately pointed out in attachments to his email to Mr. Warmoth on March 1st that Beumer has been made aware of some problems at the jobsite, and that a number of QRTs have been transmitted to Beumer. As he said a number of those contain “potential claims”. We are aware that some design changes caused field rework. We are also aware that some of the problems were not caused by Beumer, and that passing time clouds facts surrounding these issues. At no time has Cliffs quantified any claim sufficiently to enable Beumer to defend itself or mitigate potential damages. Not one document from Cliffs provides an “order of magnitude” for a claim as Mr. Nadeau insists we should somehow know.

Beumer responded appropriately when notified of problems, and believe many of the delays Mr. Nadeau continues to attribute to Beumer were caused by Cliffs and/or Cliffs' other contractors. Better planning could have mitigated costs and avoided delays. In any case, we can hardly defend that for which no facts have been presented.

Cliffs, Fournier, Nardella, and Beumer agreed on July 5th that ALL installation issues were to be communicated promptly through QRTs that would be prepared by Cliffs' contractors experiencing a problem with Beumer's supply. Beumer's field representatives were never assigned as an official channel of communication. They were there to assist the contractors to answer questions and expedite solutions. It is completely false that their scope of work ever included planning the site work; that was the purview of Cliffs and its contractors. Just because Cliffs' contractors didn't properly plan the work and Cliffs suddenly saw that as Beumer's responsibility has no bearing and was not contractually required. Beumer and Cliffs interviewed and selected two site technicians. When you informed us they were not performing to your expectations, we removed them. You asked that they not be replaced.

From the contract - Exhibit E Service and Support Program & Training

Beumer intent is to recruit at least one French speaking Quebec based Technician to provide the main point of contact and interface with Cliffs staff present at site during various phases of the on-site time required. Cliffs will be invited to attend final interviews for short listed candidates, given that the individual selected will be exclusively on Cliff's site for an extended time period. Final candidate selection will be jointly agreed between Cliffs and Beumer. The candidate will be a full time Beumer employee managed and directed by Beumer Kansas City.

We plan to have the individual trained and ready for start of site time during the early to mid phase of the installation period in 2012. Beumer may also supplement this approach with additional field labor (Beumer start up and service technicians) or prequalified and trained sub-contractors.

-- Irrelevant text omitted--

Beumer will supply supervision to enable effective and accurate installation of the items to be supplied under Exhibit A. The supervision support will be in the form of a qualified and trained technician who can recommend and advise on erection, equipment storage and effective handling of all items within Beumer scope of supply.

4.2 Delay Claims

As you have not asserted any claims, we cannot respond in detail. However, because you have alluded to evaluating the claims of other contractors before you assert claims against Beumer, we believe that you may intend to assert delay claims against Beumer. We therefore note that Section 29 of the Terms and Conditions provides Cliffs' sole remedy for Beumer's failure to "fulfill its obligation relative to the final delivery date" and, as such, the claims of other contractors are irrelevant to any delay claims you may attempt to assert. Cliffs repeatedly failed to allow our justified requests for extensions of time for Cliffs'-caused delay and cannot now recover on the basis of unextended delivery dates. Moreover, Section 29 provides that "missing or defective parts that miss final delivery date but do not delay installation or start up shall not result in application of liquidated damages."

Cliffs erroneously attributes project delays to Beumer, when it is obvious that the construction effort was beset with problems from the start. Cliffs began with an overly ambitious plan and managed it poorly; foundation problems, unproductive labor, poor site management, unrealistic labor estimates, foul weather, and actions by Cliffs that affected Beumer's ability to perform according to the original plan caused the project to run behind – not Beumer. The Overland Conveyor was delivered early and yet Cliffs was still performing installation activities in March 2013. QRTs from Cliffs show relatively few problems that could have delayed installation. It was entirely within Cliffs' control to meet their own schedule at least through dry start-up of the OLC.

At multiple times throughout the project, Cliffs elected to completely shut down construction. In addition to the current four-month shut down, the OSS work shut down from October 22nd through November 5 for removal of the ore pile, and Cliffs mandated full shut down from Nov. 19th to Nov. 27th. Therefore, Beumer's deliveries could not have resulted in delay to startup. Finally, Section 33 of the Terms and Conditions provides that Beumer shall be allowed 12 weeks for replacement of defective nonstandard equipment without the application of liquidated damages. Late deliveries on Beumer's part, if any, were well within this 12- week window.

4.3 Dust Loading

Beumer's position on this matter has not changed since it was stated in Mr. Warmoth's email of November 30, 2012. Mr. Nadeau restated Cliffs' view in his March 1st email, which does not appear to have changed. In his response Mr. Nadeau's stated that Beumer's solution presented on November 29th would have been rejected, and accordingly Cliffs would have required a design solution (i.e. something different than we offered). If so, Beumer would have demanded a corresponding price increase for any agreed-to solution. The dust covers are the least expensive design solution. Although we maintain that Cliffs never made clear the "purpose" of this structure was to retain dust and failed to specify loading requirements, Beumer volunteered to supply bent and painted cover plates at no cost to resolve the issue. You ignored that offer and we consider it rejected.

4.4 Conveyor Covers

Beumer's position as explained in Mr. Warmoth's email of July 9, 2012 has not changed (see Appendix C attached). Although Cliffs never responded to that email, we trust our position was accepted.

Appendix A – Table of Claims & Outstanding Invoices

Pending Claims	Proposal Description	Date Claim Submitted	Requested Response Date	Amount	Comments
611-010015-R rev. 1	Extra Fabricated Parts	1/8/13 Rev. 0, 2/8/13 Rev. 1	2/8/2013	\$64,800.98	Approved 3/1/13 (P.O. received 4/3/13)
611-010015-U	OSS Assembled Field Bolts	2/1/13	2/8/2013	\$11,056.00	Approved 3/1/13 (P.O. received 4/3/13)
611-010015-V	Travel Air Fare Reimbursement	2/11/13	2/15/2013	\$5,848.14	Approved 3/1/13 (P.O. received 4/3/13)
611-010015-K	1. Overtime to maintain present schedule despite sequence changes and interruptions	7/14/12	7/23/2012	\$350,000.00	Awaiting Response
	2. Premium for welding oversized A-Frame trusses that were intended to be field assembled (bolted)	7/14/12	7/23/2012	\$ 261,500.00	
	3. Trailer rental for storage of shipments that were not dispatched timely	7/14/12	7/23/2012	\$ 16,000.00	
	TOTAL			\$627,500.00	
611-010015-S	Additional Fabrication Services for Dbl Handling and Accelerated Delivery	2/1/13	2/8/2013	\$256,600.00	Rejected 3/1/13. Beumer disagrees
611-010015-Q	Engineering Extra for Early Install of Tripper	2/8/13	2/15/2013	\$24,720.00	Rejected 3/1/13. Beumer disagrees
611-010015-T	Engineering Extra for Dust and Ice Studies	2/8/13	2/15/2013	\$41,260.00	Rejected 3/1/13. Beumer disagrees
	Total Outstanding Claims			\$1,031,785.12	

Invoices	Description	Submitted	Due	Amount	Comments
501201774	5%-Equip start	11/28/2012	12/31/2012	\$ 2,183,053.10	Paid 2/4/13
501300176	5%-Acceptance	2/15/2013	4/30/2013	\$ 2,183,053.10	
Retention	10% Retained on Invoices		6/30/2013	\$ 4,147,600.49	

APPENDIX B - March 21, 2012 Commissioning and Contract Modification Letter

BEUMER CORPORATION
4435 Main St., Ste. 600 · Kansas City, MO
64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693

Our ref.: 611-010015-009
Proposal No. 611-010015-Y
Project No. 611-010015
Date: 3/21/13

Ms. Amelie Dorion
Environmental Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

Ref: The Bloom Lake Phase II Project – Proposed Commissioning Schedule and Contract Modification

Dear Ms. Dorion,

We are pleased to submit our revised proposal for site representation to support the new schedule of installation and commissioning of Beumer's equipment at Bloom Lake. The following is based on my understanding of your objectives discussed on our call March 6th. During the call it was noted that Cliffs prefers to have two separate commissioning phases; dry commissioning beginning on May 6, 2013, and wet commissioning beginning late July or August, 2013. With this in mind, we compiled what we believe is the optimal schedule of Beumer manpower needed to successfully commission Beumer's equipment and support you until Cliffs is fully prepared to take over. We of course expect some tweaking.

1) DRY COMMISSIONING

- a. **Schedule:** May 6th – May 24th. This timeframe is an approximation. It will include inspection, dry commissioning, and continuous training for Cliffs' operation/service personnel.

- b. **Beumer personnel required:** Ahmad Ammoura, Frank Holle, Martin Rewer, Rob Viard, Keith Stewart, and Kenny McDonald. Please see attached spreadsheet schedule for anticipated lengths of stay for each Beumer advisor.
- c. **Pre-Commissioning Tasks**
 - i. Verify correct wiring and operation of all electrical devices. Pay particular attention to the pullcord circuit to make sure the emergency stops are functioning. Warning horns should also be operational for sufficient operator warning upon starting.
 - ii. Verify communication between all control panels and main controller.
 - iii. Variable Frequency Drives must be checked out and operational prior to energizing any of the drive motors.
- d. **Dry Commissioning Notes:**
 - i. It is preferable that the hood covers are left off for ease of viewing and adjusting the idlers/belt conveyor. However, if hood covers and wind skirts are in process of being installed, it is preferred to leave them off at the curve sections of the overland conveyor.
 - ii. Sacrificial Conveyor should also be dry commissioned during this period
 - iii. Cliffs will need to provide a man at each curve section of the overland conveyor during start up. It is our strong recommendation that Cliffs' operation & service personnel are available throughout the entire commissioning process as their general knowledge of the equipment will assist in the training process. Training will not be as productive for rotating groups of personnel that are not included in the entire commissioning process.
 - iv. Generally the belt could be run continuously once dry commissioning is complete. However, our recommendation is that it be run at least 8 hours every day, with a least one shut down and re-start per day.
- e. **Post Dry Commissioning Operation Support:**
 - i. Once the conveyors have run a few days without requiring any adjustment, Beumer personnel are not needed for on-site support during long-term dry operation of the belts. Our recommendation is that one (1) Beumer advisor stay at site one week after dry start up to insure the customer's operational staff has been properly trained for startup/shut down procedures and general fault checks. This will allow one full week of Beumer supervision while starting and stopping the conveyor daily. After this timeframe, it is acceptable to turn it over to Cliffs' operations team to run dry until the wet commissioning.

2) WET COMMISSIONING

- a. **Schedule:** July 29 – August 16. This timeframe is approximate.
- b. **Beumer personnel required:** Ahmad Ammoura, Frank Holle, Martin Rewer, Rob Viard, Kenny McDonald. Please see attached spreadsheet schedule for anticipated lengths of stay for each Beumer advisor.
- c. **Wet Commissioning Notes:**
 - i. Of major importance is to test the drives and take up winch under the various load conditions; from partial to fully loaded, and taking each of the drives out

- of service. Pre-commissioning electrical/programming work must be completed and tested prior to wet commissioning.
- ii. For wet commissioning, Cliffs will be required to supply material for various load conditions, up to 6000 tph.
 - iii. The Sacrificial and Tripper conveyors must be included in wet start-up commissioning.
 - iv. Cliffs will need to provide a man at each curve section of the overland conveyor during start up. It is our strong recommendation that Cliffs' operation & service personnel are available throughout the entire commissioning process as their general knowledge of the equipment will assist in the training process. Training will not be as productive for rotating groups of personnel that are not included in the entire commissioning process.

d. Post Wet Commissioning Operation Support

- i. Beumer proposes one (1) Beumer advisor provide support for 3 weeks after the wet commissioning process is complete. This advisor will work on a split shift (4-6 hours at the end of the day shift and 4-6 hours at the beginning of the night shift). This support would provide sufficient coverage during the post break-in period of the conveyors. This person could also be on call if needed when not on shift.
- ii. Beumer proposes monthly visits following the 3-week post commissioning support. Tentatively, these dates would be the weeks of September 30th, October 28th, and December 2nd, 2013. Further sporadic visits could also be discussed as necessary.

The new timeframes for commissioning and operational support differ significantly from the original contract. Beumer completed 99% of our deliveries in October 2012, and exceeded the installation support hours included in the contract last year. We paid all of our suppliers including over \$1 million in additional claims from Nafco as we communicated earlier. Consequently, Beumer has spent more than 100% of the budgeted cost. As Beumer has been paid only 85% of the contract, we have been in a very negative and unsustainable cash position for some months. This is mostly the direct result of Cliffs' schedule changes that materially affected payments we anticipated according to your earlier construction schedules.

Therefore, Beumer respectfully request that the original contract be amended to account for the effects of the revised schedule. We request prompt settlement of all issues and closure of the supply contract, with issuance of a new contract for the remaining site representation. The current contract requires the final 5% payment upon acceptance testing and the release of retainage payment from the joint escrow account upon plant operation; both originally scheduled to complete shortly after completion of Beumer's deliveries and before the end of 2012. We are willing to provide a warranty bond in order to expedite closure and payment.

We propose and are prepared to support the following schedule:

- April 2-5 - Meetings at your offices to discuss and resolve claims
- April 15 – Release of final payment including retainage

The tables below summarize our proposed revision to the contract(s) and the amount of a new contract for the revised site representation. We propose to amend the contract by deducting \$672,000 from the price, and amend Purchase Order PP0824, Item #3 to \$27,900. The new contract for \$538,000 will cover the costs of all remaining field service. It is our understanding that you do not require the full amount of extended operational support. Please advise if this was misunderstood.

Amend Original Contract						
	% Comp.	Weeks	12 hour shifts per day	Man days	Daily Rate	
Erection Advisors	100	28	1	196		completed
Pre-Start Inspection	100	2	1	14		completed
Dry Commissioning	0	2	1	14	\$1,550.00	\$ 21,700.00
Wet Commissioning	0	3	2	42	\$1,550.00	\$ 65,100.00
Operation support	0	12	2	168	\$1,550.00	\$ 260,400.00
Operation support	0	30	1	210	\$1,550.00	\$ 325,500.00
				47	434	
Contract Change Order for 47 remaining weeks of support / travel					Deduct	\$ 672,700.00

PP0824, Rev. 3 - Item 3	
Change Order amount for 226 days of additional on-site support	\$ 350,300.00
Beumer Invoice 501300183 (for 18 days of support)	\$ (27,900.00)
Revise Purchase Order for unused man-hours	Deduct \$ 322,400.00

Issue new Contract (Proposed Labor/Support Schedule)						
	% Comp.	Weeks	12 hour shifts per day	Man days	Daily Rate	Cost
OSS Erection Advisor	0	12	1	84	\$1,550.00	\$ 130,200.00
Dry Commissioning	0	3	4	84	\$1,550.00	\$ 130,200.00
System Training (during commissioning)	0	1	4	28	\$1,550.00	\$ 43,400.00
Wet Commissioning	0	3	4	84	\$1,550.00	\$ 130,200.00
Operation support	0	3	1	21	\$1,550.00	\$ 32,550.00
Operation support visits	0	3	1	21	\$1,550.00	\$ 32,550.00
				25	322	
Total Value of New Labor-Only Contract (includes travel to Montreal)						\$ 538,300.00

We will cooperate fully to resolve all of the remaining issues during the month of April and accordingly send our representatives once we agree to a schedule. We request your response by March 27, 2013 so that we may plan for the meeting in early April.

Best Regards,



Brad Williams
V.P. Operations
Beumer Corporation

Cc: Pascal Valle', Yannick Nadeau, Cliffs
Lloyd Sanders, Frank Warmoth, Rob Viard - Beumer

APPENDIX C – July 9, 2012 Hood Cover Letter

From: Warmoth, Frank
Sent: Monday, July 09, 2012 6:46 PM
To: Robert E Allard
Cc: Williams, Bradley; Yannick Nadeau; amelie.dorion@cliffsnr.com
Subject: RE: Conveyor Hood Covers

Dear Robert,

I am writing to address the conveyor covers again in response to your email and in light of our meetings on site last week. We learned through Frank Huard that Cliffs placed an order for covers to replace those we are now providing under contract. Yannick and Amélie chose not to address it with us, so we assume there remains some question where responsibility lies.

I agree it is disappointing to get to this stage of the project and discover we are at odds over something that shouldn't be an issue. Beumer has no official statement from Cliffs that we are expected to pay for new conveyor covers, but it appears that could be the case. We want to avoid a misunderstanding, so I am writing to clarify our position. We hope to prevent Cliffs from making a costly decision under the misconception that Beumer will pay for new covers.

We were directed on June 27th to stop production and delivery of the covers, which we have; we were asked to look at options, which we did. But before we submitted the options last week, Frank told us that the order had already been placed with another supplier. We have quotes but we were seeking to improve price and delivery. I instructed Lloyd to go ahead and provide the price anyway.

As you implied in your email, the facts will ultimately prevail if this develops into a dispute. In the interest of time, I will state what we think the project records show after my cursory review. The one and only question we must answer is whether Beumer has met our contractual obligations with respect to the covers. I sincerely and unequivocally believe we have.

For the record, Beumer will not pay for the new covers and we expect full payment for the ones too far in production to be stopped, which appears to be all of them. These aren't standard covers that can be restocked, since to meet the heavy snow loads required special ordered 18 gage steel. We also noted the ones in the field have been stored improperly, damaging the surface (white rust).

I wish to also caution that we spent considerable effort to engineer covers that meet all of the requirements, and these are not standard covers. Cliffs should take care to consider all dimensional and loading requirements if they proceed with replacements.

Specifications

Beumer's covers meet the specifications in every respect. The specifications are very general in describing the conveyor covers; which in summary say they shall be galvanized steel, hinged, etc. Other parts of the specifications apply with respect to design loading. Our covers meet the heavy snow load requirement which is why they are heavy gage steel. The covers we are providing are a superior product to the ones on other new conveyors at the mine. This may be easier to understand if they were inferior, but they are heavier and more durable. We doubt the thin gage smooth covers we saw last week will meet the loading specification.

Usually spec compliance is enough to decide who pays for changes. Neither in the specification nor at any time before last week did Cliffs state a requirement that covers must be like others on site - smooth or otherwise. This is most puzzling to us since it would have been the simplest thing to write or say before we delivered something different. We feel like everyone but Beumer was in on the secret.

Drawing Submittal Requirements

Vendor drawings were not required to be submitted for review and approval, including the conveyor cover drawings. This was agreed at the meeting in Montreal August 23, 2011 and has been practiced throughout the project. Beumer submitted all drawings required and has submitted any that were specifically requested. None of the vendor drawings were submitted. We have no record or recollection of a request to submit the conveyor cover vendor detail drawings. Features that distinguish these from the smooth covers were clearly depicted on many of the submitted to Cliffs (e.g. L-20 (478488-1). It is impossible that one reviewing these drawings could interpret them to be the covers now desired by Cliffs. The corrugations and hinged door on one side are clearly shown on multiple drawings – not smooth covers without a door.

Cover Delivery Schedule

I trust you will recall, and the records show that we submitted a schedule early in the project that was the basis of all of our actions including scheduling delivery of the covers for field installation. The question arose whether they should be pre-assembled. Cliffs decided not to pre-assemble them (meeting notes 2/22/12) after Beumer expressed concerns about the difficulty of aligning idlers and pulling belt after covers are installed. After the decision by Cliffs, we resumed a field-installation-based delivery schedule. For those that don't know, belt conveyor covers are field installed 99% of the time after belts are pulled.

Frank stated Thursday that Cliffs' decision was based on the fact that covers wouldn't be delivered for pre-assembly. We only know Cliffs decided not to, resulting in the schedule we are now following. It is a fact that they were never in line with the earlier-than-planned pre-assembly start, since it was always our intent to install them after the belt is pulled.

When GPSI became involved, the schedule and sequence were changed and accelerated in many respects; and you will also kindly recall that Beumer and Nafco have made considerable effort to adjust. Most of the covers have been delivered, with the balance now on hold - in plenty of time for field installation. If Cliffs decides to install some of the covers at grade, that too is possible since not one of the elevated sections has been installed.

Pre-Assembly

Beumer recommended months ago that the covers not be pre-assembled, and we explained our concerns; then Cliffs decided to install them in the field after pulling the belt. There was no other discussion until recent weeks about any part of the covers being pre-assembled. Beumer did not have preassembly in our scope, nor could we decide what to pre-assemble.

When Yannick, Frank, and you came to Kansas City 2 weeks ago the initial discussion centered on your collective belief that the support arches, or the connecting brackets should have been pre-assembled. This decision was not Beumer's to make. My statement that Frank Huard and Martin Douchet witnessed the prototype is factual. It is also true that Frank has more control over pre-assembly than any other person on this project. You are correct that the full cover wasn't installed on

our prototype, but at least one of the support arches was installed, which is the only part you (Cliffs) now believe should have been pre-assembled.

The smooth covers that Cliffs now prefers have support arches like ours. If those are the covers Cliffs expected, did anyone think or say the arches should be pre-assembled? It's hard to understand why anyone believes Beumer is now remotely responsible for the decision (not) to pre-assemble the arches.

Schedule Changes, Re-sequencing, Acceleration

The question of schedule is a broader one that applies to more than covers. Beumer presented a schedule originally with our proposal in September 2011. Shortly after a more detailed schedule was presented and approved by Cliffs. All of Beumer's actions were based on that schedule until pre-assembly and freight were removed from our contract and awarded to GPSI and Franzi. Then, and after construction demanded a different sequence, we adjusted, re-sequenced, and accelerated where possible. We are now seeing the cumulative effects of those changes in our production schedule, and we are evaluating the cost. Nevertheless, we understand the urgency and are still evaluating ways to meet Cliffs' needs. Nafco will be in our office Wednesday to further discuss options to improve the schedule. Hopefully we will find a way to satisfy everyone.

Robert, we are committed and invested in having a successful project with Cliffs, and we will accept the blame when we are responsible. I believe some of the recent issues are misdirected at Beumer.

Sincerely yours,
Frank

BEUMER Kansas City LLC
President
Frank Warmoth, PE
4435 Main Street, Suite 600
Kansas City, MO 64111 USA
Phone: 816-245-7252
Mobile: 816-803-1210
E-Mail: fr.wa@beumergroup.com
Internet: www.beumergroup.com

APPENDIX D – July 14, 2012 Letter for Schedule Acceleration and Request for Extra

From: Warmoth, Frank
Sent: Saturday, July 14, 2012 2:23 PM
To: Robert E Allard
Cc: Sanders, Lloyd; Williams, Bradley
Subject: Schedule Acceleration and Request for Extra

Dear Robert,

Last week at Bloom Lake Yannick and Améle expressed dissatisfaction with Beumer's delivery schedule and demanded improvement. Cliffs appears to believe that the sole responsibility for schedule slippage is Beumer's. As I believe you're aware that is not the case, as explained below.

After that discussion we asked NAFCO to prepare a recovery plan to complete deliveries in September. We met with NAFCO Wednesday to review their plan. By a combination of overtime and subcontracting other work, NAFCO have committed to deliver everything (except possibly the tripper car) in September.

Additional Manufacturing Cost and Schedule Effects

In May I told you that Jim Smothers at NAFCO was preparing a substantial claim for extra compensation. We initially received very little information as to the makeup, but generally resulting from design changes, re-sequencing, and interruptions to flow due to delays in dispatch. Wednesday, NAFCO submitted a request to recover \$747,500 for these impacts and for double handling, welding and handling of large box trusses, and storage. After deducting that portion not attributable to Cliffs (to Beumer's account), the remainder is \$627,500.

I refer you to our attached letter of 12/26/11 advising Cliffs that we had been delayed and that further changes and actions would have schedule and cost consequences. In that letter we stated it necessary due to delays to move the LD dates to October 28, 2012. We further requested that further schedule changes and interruptions to production cease. For various reasons they didn't. Earlier-than-planned preassembly and changes in the construction schedule (again) had ramifications in the shop. Shipments sat at NAFCO an average of 21 days instead of flowing smoothly through dispatch, affecting efficiency and requiring additional handling and storage.

We respectfully submit this as a request that Cliffs compensate Beumer, so we can pass that through to NAFCO. We are prepared to discuss it with NAFCO present and submit supporting documentation as required. The key elements are:

1. Overtime to maintain present schedule despite sequence changes and interruptions	\$350,000
2. Premium for welding oversized A-Frame trusses that were intended to be field assembled (bolted)	\$261,500
3. Trailer rental for storage of shipments that were not dispatched timely	<u>\$16,000</u>
Total request for extra	\$627,500

Due to these additional disruptions to production, we request that the date at which liquidated damages apply be moved to November 30, 2012. Among the reasons for delay of the ore storage shed are the weldments of the large box sections that were intended to be field assembled. This shop cost is surely more than offset by field savings. Obviously, it is our intention to complete deliveries well in advance of this penalty date, but we feel the penalties should not apply until a later date due to the reasons given here.

Schedule Recovery Plan

NAFCO submitted a recovery plan to complete deliveries in September that will require overtime and subcontracting all other work at a loss to devote their shop(s) to Cliffs. The additional cost to accelerate the schedule is \$454,000. We must receive Cliffs' acceptance by July 18 to proceed on this plan.

- | | |
|---------------------------------|------------------|
| 1. Overtime to improve schedule | \$300,000 |
| 2. Loss from subcontracted work | <u>\$154,000</u> |

Total request for extra to accelerate schedule	\$454,000
--	-----------

Additional site presence

We are also planning to ramp up our site presence during the erection of OSS Frames 1 and 2 (at a minimum) with Iron Worker technical representatives as asked by Cliffs. Lloyd will send rates Monday. We have 3 strong superintendents possibly that have worked for us before that are possibly available and from which we will select 2 so as to have a full time presence during that crucial time. I have also asked Lloyd to schedule one visit per month through completion of installation to address issues with all parties timely.

Robert, kindly advise time and location when we may discuss how to proceed.

Yours truly,
Frank

BEUMER Kansas City LLC
President
Frank Warmoth, PE
4435 Main Street, Suite 600
Kansas City, MO 64111 USA
Phone: 816-245-7252
Mobile: 816-803-1210
E-Mail: fr.wa@beumergroup.com
Internet: www.beumergroup.com

APPENDIX E

Following are a sample of project emails regarding dispatch issues

Williams, Bradley

From: Campbell, Gary <Gary.Campbell@CliffsNR.com>
Sent: Thursday, February 02, 2012 2:13 PM
To: Jerry Turner
Subject: RE: Trailer Availability

Jerry, we are meeting with Robert transport tomorrow. We will get there I promise you.

De : Jerry Turner [<mailto:jturner@nafcofab.com>]

Envoyé : 2 février 2012 14:45

À : Campbell, Gary

Objet : Trailer Availability

Gary,

As soon as we hung up the phone a few minutes ago, I had a call from James concerning shipments. We currently have a few Roberts trailers on hand to load the wide panels on and plenty of Outlaw trailers for the legal loads. We've reached the point in our production that we cannot afford to delay loading any steel when it is complete. Our ability to paint is pretty well maxed out at this point. Our plans are to add an additional weekend shift for painting starting next week. I'm saying this to let you know that we will coordinate the best that we can with Roberts but if we need to load steel to make room and their trailers are not readily available, then we will be forced to load what we have on hand. If there is steel that needs to be transferred after the fact to other trailers then there could be some additional costs involved. Extras are not our intent but I want you to be aware of the fact that it could happen depending on Roberts' response to our requests for a pool of trailers. Once again, for now all is well but we all need to remain diligent in making sure that the equipment is available.

I appreciate yours and Etienne's continued help,
Jerry

This electronic message and any attachments included with this message are for the exclusive use of the individual or entity to which it is intended to be addressed. This message may contain information that is privileged or confidential and thereby exempt and protected from unauthorized disclosure under applicable law. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, be aware that any disclosure, dissemination, distribution or copying of this communication, or the use of its contents, is not authorized and is strictly prohibited. If you have received this communication and are not the intended recipient, please notify the sender immediately and permanently delete the original message from your e-mail system.

Williams, Bradley

From: Catherine Thrasher <cthrasher@nafcofab.com>
Sent: Thursday, March 15, 2012 10:37 AM
To: Campbell, Gary
Cc: Jerry Turner; frankhuard50@gmail.com
Subject: RE: Ticket Numbers

LOADS 41,43,46,47,48,52,54,66,71,72,73,74,79,,77,78,80,81,82,83,87,88,89,90,91

THESE ARE THE LOADS THAT ARE READY TO GO

From: Campbell, Gary [<mailto:Gary.Campbell@cliffsnr.com>]
Sent: Thursday, March 15, 2012 9:27 AM
To: Catherine Thrasher
Cc: Jerry Turner; frankhuard50@gmail.com
Subject: Ticket Numbers

Good morning Catherine, can you please provide me with the ticket numbers of all the material held at your facility. I would like to verify if we can release any of them. I have all the copies on file , just need the numbers. Thank You and have a good day.



Gary Campbell

P: 514-380-2962 extension 3380 - gary.campbell@CliffsNR.com
F: 514-393-9041

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée
1155 rue Université, suite 508, Montréal, Québec, H3B 3A7
P 514.396.6345 cliffsnaturalresources.com

This electronic message and any attachments included with this message are for the exclusive use of the individual or entity to which it is intended to be addressed. This message may contain information that is privileged or confidential and thereby exempt and protected from unauthorized disclosure under applicable law. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, be aware that any disclosure, dissemination, distribution or copying of this communication, or the use of its contents, is not authorized and is strictly prohibited. If you have received this communication and are not the intended recipient, please notify the sender immediately and permanently delete the original message from your e-mail system.

Williams, Bradley

From: Campbell, Gary <Gary.Campbell@cliffsnr.com>
Sent: Monday, March 19, 2012 9:03 AM
To: Sanders, Lloyd
Cc: frankhuard50@gmail.com; Jerry Turner; Robert E Allard; Baillargeon, Jean-Yves; Nadeau, Yannick; tjacquelin@groupe-alphard.com; Charles Tison; Pare, Etienne
Subject: Production priorities

Good morning Lloyd, after discussing the site advancement and the on going production at Fransi with the Program manager here is the way we would like Nafco to produce parts. By doing this we will give both the site and Fransi on-going work and eliminate work stoppages. We have had to slow down at Fransi due to material shortages and lack of drawings.

Please advise Nafco to change their priorities ASAP, we will want to discuss the status at the program review meeting scheduled for March 27 th. If there are any questions or required changes please feel free to contact me as soon as possible.

PS. We need to be flexible and work together in order to make this contract a success.

- 1) Complete Tt-2 (Fermont)
- 2) Transfer Tower TT-1 (Fermont)
- 3) 12M specials 002 & 0033 (Fransi)
- 4) Material shortage list for 48M galleries. (Fransi)
- 5) 60 M gallery (1-2) (Fransi)
- 6) Bents 1-5 (Fermont)
- 7) Tower bent 5 (Fermont)
- 8) Bents 73-69 (Fermont)
- 9) Bents 68-65 (Fermont)



Gary Campbell

P: 514-380-2962 extension 3380 - gary.campbell@CliffsNR.com

F: 514-393-9041

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée

1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

P 514.396.6345 cliffsnaturalresources.com

Williams, Bradley

From: Sanders, Lloyd
Sent: Monday, April 30, 2012 9:07 AM
To: Campbell, Gary
Cc: Jim Smothers; Williams, Bradley
Subject: Bloom Lake Phase II shipping bottleneck
Attachments: photo (11).JPG; photo (12).JPG; photo (13).JPG; photo (14).JPG; photo (15).JPG; photo (16).JPG; photo (17).JPG; photo (18).JPG; photo (20).JPG; photo (26).JPG; photo (27).JPG; photo (28).JPG; photo (29).JPG; photo (32).JPG; photo (30).JPG; photo (31).JPG

Gary,
We appreciate that we have been released to ship the 18 meter galleries. However we need your help to get some trailers to Nafco for shipping the other steel. **This bottleneck is costing not just additional labor but time. Our efficiencies are being lost by all the double handling and the inability to get loads out and off the property.** We need trailers if we are ever going to relieve the shop and have any chance making schedule. Steel is backed up from one end of the shop to the other. Robert's response is we have eleven trailers. We do have eleven trailers (see attached) and have only one empty designated for a wide load. However, none of the eleven are empty. See attached photos to see where the rest are. **Nafco reported 59 loads were ready during our conference call last week.**

Last two photos are indicative of empty loading bay(s) and our double handling / loading on yard and rented trailers. We've been working overtime as needed, especially in the paint room (most Saturdays) but this isn't helping much since we can't move the material. I'm sure Cliff's and Roberts are doing all they can but something has to give. Perhaps you could try to use a second carrier. Perhaps the use of the local company (Outlaw) to handle all the legal loads to Indiana, as was in our shipping plan. Please do what you can to help relieve this situation. We cannot continue to lose productivity because this limited ability to ship.

Thanks,
BEUMER Kansas City, LLC
Project Manager
Lloyd E. Sanders
4435 Main Street, Suite 750
Kansas City, MO 64111
Phone: 816-245-7256
Cell: 816-284-8080
E-mail: lloyd.sanders@beumer.com
Internet: www.BEUMER.com

From: Catherine Thrasher
Sent: Friday, April 27, 2012 9:15 AM
To: Annie Louvion; Campbell, Gary; Frank Huard (frankhuard50@gmail.com); Jerry Turner; Jim Smothers
Subject: RE: NAFCO Loads 162 & 163

Yes ANNIE I AGREE THAT WE HAVE 11 TRAILERS ON OUR YARD BUT THIS IS WHAT IS ON EACH TRAILER . I WAS OUT YESTERDAY AND I WILL GO THRU MY EMAILS AND SEE WHAT LOADS HAVE BEEN RELEASED.

TRAILER 01F2403 LOAD 168

01F3501 IS A 53-0 TRAILER AND WE WERE TOLD TO LOAD 55-0 MATERIAL WHICH WE WILL BEGIN TO LOAD IS THE ONLY EMPTY WE HAVE

01H3501 LOAD 156 55 -0 MATERIAL

532A001 LOAD 155

532A002 LOAD 164 PARTIAL LOAD

532H002 LOAD 130 11-6 WIDE LOAD
532Y002 LOAD 165 PARTIAL LOAD
537M001 LOAD 167 WIDE LOAD 11-6
411 LOAD 166 WIDE
413 LOAD 161
429 LOAD 141 PARTIAL

From: Annie Louvion [<mailto:alouvion@robert.ca>]

Sent: Friday, April 27, 2012 8:49 AM

To: Jerry Turner; frankhuard50@gmail.com; Gary.Campbell@CliffsNR.com; Pare, Etienne

Cc: Catherine Thrasher; Johnathan Lambert; Martin Roy; Jean-Sebastien Houle; Nancy Boucher; Marie-Claude Sevigny

Subject: RE: NAFCO Loads 162 & 163

Hi Jerry,

You have in your yard, 11 trailers : 01F2403 – 01F3501 – 01H3501-532A001-532A002-532H002-532Y002-537M001-MR411-MR413-MR429

And I have my driver to p/u load 140 today.

Thank you !

ANNIE LOUVION

Répartiteur spécialisé / Specialized dispatch

T : 450-652-4282 / 888-283-5539 ext : 2270

F : 450 652-9350

alouvion@robert.ca

910 Boul. Lionel Boulet Blvd, Varennes, QC J3X 1P7 CANADA



L'information contenue dans ce document est la propriété de nos clients et de nos employés. Toute réimpression ou utilisation non autorisée sans la permission écrite de la société est formellement interdite. Toute utilisation non autorisée sera considérée comme une violation de nos droits. This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to which they are addressed.

From: Jerry Turner [<mailto:jturner@nafcofab.com>]

Sent: April-26-12 16:53

To: Annie Louvion; frankhuard50@gmail.com; Campbell, Gary (Gary.Campbell@CliffsNR.com)

Cc: Catherine Thrasher; Johnathan Lambert

Subject: NAFCO Loads 162 & 163

Annie,

NAFCO Loads 162 & 163 are ready for pick-up. These are truss loads for the assembler.

Load 140 which is ready for pick-up has not been requested by any drivers. This load contains material for bents 69, 70, 71, 72 and 73 which are needed at the site.

We are getting caught up on loading and will need additional trailers soon.

Thanks,

Jerry

Williams, Bradley

From: Pare, Etienne <Etienne.Pare@cliffsnr.com>
Sent: Wednesday, May 02, 2012 12:53 PM
To: Caroline Filion; Campbell, Gary; Catherine Thrasher; Annie Louvion
Cc: Jerry Turner; frankhuard50@gmail.com; Martin Roy
Subject: RE: TRAILERS

Gentlemen, we are at the critical point of this project. Nafco are advancing well with the production of Cliffs parts. As coordinator of this project I have to express my feelings on the shipping of these parts and I am very disappointed, after meetings, numerous e-mails and many phone calls the situation remains the same. There is a definite waste of energy on this project and this only leads to frustration between all of the parties. We are all working to achieve the same goal, which is to complete this project on schedule and within budget. I want to see the elimination of e-mails saying we are waiting for trucks. The next couple of months will be very very busy, we still need to ship approx. 7 million tons of material to Fransi and Fermont. We have teams at both locations and if there are stoppages due to material shortages it becomes very costly. I am requesting a quick fix to this situation ASAP. Thank You

Please have trailers sent to NAFCO to avoid delays we cannot have this discussion over and over

PS. If we require a meeting , please advise.



Étienne Paré

P: 514-380-2962 extension 3382

F: 514-393-9041

M: 514-708-1545

etienne.pare@cliffsnr.com

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée

1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

P 514.396.6345 cliffsnaturalresources.com

De : Caroline Filion [<mailto:cfilion@robert.ca>]

Envoyé : 2 mai 2012 10:50

À : Campbell, Gary; Catherine Thrasher

Cc : Jerry Turner; Pare, Etienne; frankhuard50@gmail.com; Martin Roy

Objet : RE: TRAILERS

Hi,

In your yard you have presently 5 trailers, but I think they are a partials load

01F2403
MR429
532Y002
532A002
01F3501

This afternoon you will receive 832D001
532H001 arrive at the end of the day for a live load (load # 168)

Tomorrow you will receive 7 empty trailers and 4 empty trailer on Thursday or Friday

thank

From: Campbell, Gary [<mailto:Gary.Campbell@cliffsnr.com>]
Sent: May-02-12 10:36
To: Catherine Thrasher
Cc: Caroline Filion; Jerry Turner; Pare, Etienne; frankhuard50@gmail.com
Subject: RE: TRAILERS

Catherine, can you please add this person to your e-mail distribution list, she has joined the Robert team to support this project. Thank you and have a good day.

De : Catherine Thrasher [<mailto:cthramer@nafcofab.com>]
Envoyé : 2 mai 2012 10:21
À : Annie Louvion (alouvion@robert.ca); Campbell, Gary; Jim Smothers
Objet : TRAILERS

WE RECEIVED TRAILERS 833E002 LAST NIGHT AND WE HAVE ALREADY LOADED 172 ON IT IT IS A WIDE LOADE 14-3 WIDE WITH A 5-0 REAR OVERHANG. I WILL TURN IN TO GARY CAMPBELL SHORTLY. ALSO A STEP DECK 5335652 WHICH WE HAVE ALREADY BEGIN TO LOAD . WHEN WILL REST OF THE TRAILERS 10 OF THEM BE HERE. WE HAVE NO TRAILERS TO LOAD SHOP IS BACKING UP

This electronic message and any attachments included with this message are for the exclusive use of the individual or entity to which it is intended to be addressed. This message may contain information that is privileged or confidential and thereby exempt and protected from unauthorized disclosure under applicable law. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, be aware that any disclosure, dissemination, distribution or copying of this communication, or the use of its contents, is not authorized and is strictly prohibited. If you have received this communication and are not the intended recipient, please notify the sender immediately and permanently delete the original message from your e-mail system.

This electronic message and any attachments included with this message are for the exclusive use of the individual or entity to which it is intended to be addressed. This message may contain information that is

Williams, Bradley

From: Campbell, Gary <Gary.Campbell@cliffsnr.com>
Sent: Thursday, May 10, 2012 9:23 AM
To: Jerry Turner
Cc: Catherine Thrasher; frankhuard50@gmail.com; Pare, Etienne; Caroline Filion; Annie Louvion
Subject: 18 m trusses

Jerry, can you please **stop sending 18 m trusses until further notice** and let me know how many you have completed and how many are outside. thanks



Gary Campbell

P: 514-380-2962 extension 3380 - gary.campbell@CliffsNR.com

F: 514-393-9041

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée

1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

P 514.396.6345 cliffsnaturalresources.com

This electronic message and any attachments included with this message are for the exclusive use of the individual or entity to which it is intended to be addressed. This message may contain information that is privileged or confidential and thereby exempt and protected from unauthorized disclosure under applicable law. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, be aware that any disclosure, dissemination, distribution or copying of this communication, or the use of its contents, is not authorized and is strictly prohibited. If you have received this communication and are not the intended recipient, please notify the sender immediately and permanently delete the original message from your e-mail system.

Sanders, Lloyd

From: Robert E Allard <rallard@gpsi-intl.com>
Sent: Wednesday, August 01, 2012 11:44 AM
To: 'Jerry Turner'; 'Caroline Filion'; 'Martin Roy'; 'Campbell, Gary'; 'Pare, Etienne'; frankhuard50@gmail.com
Cc: 'Catherine Thrasher'; 'Johnathan Lambert'; Sanders, Lloyd; 'James Corum'; 'Jim Smothers'
Subject: RE: NAFCO Load 249

Thank you for the information Jerry

Please rest assured that it will be addressed immediately and as to the direct overtime cost related to this issue, I accept the charges therefore please proceed with gathering of these cost.

Robert Allard

Président/President



1415 32e Avenue, Lachine, QC H8T 3J1
Tel: 514.636.6045 x 229
Cell: 514.894.3237
E-mail; rallard@gpsi-intl.com
www.gpsi-intl.com

From: Jerry Turner [<mailto:jturner@nafcofab.com>]
Sent: 1 août 2012 11:56
To: Caroline Filion; Martin Roy; Campbell, Gary (Gary.Campbell@CliffsNR.com); Pare, Etienne (Etienne.Pare@CliffsNR.com); frankhuard50@gmail.com; rallard@gpsi-intl.com
Cc: Catherine Thrasher; Johnathan Lambert; Sanders, Lloyd (Lloyd.Sanders@BEUMER.com); James Corum; Jim Smothers
Subject: RE: NAFCO Load 249

Caroline,

We will transfer these trusses to trailer 134Q530 which is our last 53' trailer. We currently have 3 to 4 additional loads that are the same length all of which have been loaded on 48' trailers to move them out of our shop. With approx. 440 trusses remaining to ship, this process is only going to increase over the next several weeks. NAFCO can no longer continue to handle and re-handle the steel for every load because you have not been able to furnish the proper equipment. I was very clear with everyone involved in this project before we started the shipment of the trusses that we would need extended trailers. On this past Monday, NAFCO spent 62 man hours loading and reloading an A-frame truss at the request of your drivers which finally resulted in only one load. Once again, I cannot emphasize enough that Roberts will have to provide the correct equipment in a timely manner or this project will never be completed on time. Going forward NAFCO is maintaining a record of all time spent handling and re-handling loads and there will be

additional costs to this project. I will expect your immediate attention to the shipping needs that have been addressed in this e-mail.

Jerry

From: Caroline Filion [<mailto:cfilion@robert.ca>]

Sent: Wednesday, August 01, 2012 9:09 AM

To: Jerry Turner; Martin Roy; Campbell, Gary (Gary.Campbell@CliffsNR.com); Pare, Etienne (Etienne.Pare@CliffsNR.com); frankhuard50@gmail.com

Cc: Catherine Thrasher; Johnathan Lambert

Subject: RE: NAFCO Load 249

Hi Jerry,

We have a problem. With 13'9" we are superload in QC. It's possible possible for you to transfer on a 53ft trailer? Driver will be there tomorrow and he can help your team.

In nafco yard you have 2 trailer 53ft it's 132C530 and 134Q530

thank

From: Jerry Turner [<mailto:jturner@nafcofab.com>]

Sent: July-31-12 16:11

To: Caroline Filion; Martin Roy; Campbell, Gary (Gary.Campbell@CliffsNR.com); Pare, Etienne (Etienne.Pare@CliffsNR.com); frankhuard50@gmail.com

Cc: Catherine Thrasher; Johnathan Lambert

Subject: NAFCO Load 249

Load 249 is ready for pick-up. On a 48' trailer - 6" over on front and 13'-9" over on rear - 11' wide.

Jerry

Williams, Bradley

From: Williams, Bradley
Sent: Wednesday, October 24, 2012 10:27 AM
To: Nadeau, Yannick; 'Dorion, Amélie'; 'Robert E Allard'
Cc: Warmoth, Frank; Sanders, Lloyd
Subject: FW: 1758 trucking

Hello Yannick, Amelie, and Robert,

I am forwarding the below correspondence from NAFCO for your information. We continue to receive a lot of frustrations from NAFCO in regards to shipping logistics. They are working very hard to expedite their process and finalize the fabrication for the Bloom Lake project, but feel that the lack of trailer availability and double handling is slowing this process considerably.

Robert has sent Benoit Hachey to the facility to assist with this continuing issue, but per the emails below it looks like the process continues to be a struggle. I am confident NAFCO can meet their planned schedule for the fabrication if they are not slowed down due to double handling and trailer availability. I am certain this is a challenging endeavor, but anything you can do to further help this issue would be greatly appreciated.

Best regards,
Brad

BEUMER Kansas City LLC
Director of Projects
Brad Williams
4435 Main Street, Suite 600
Kansas City, MO 64111 • USA
Phone: +1 816 245 7249
Mobile: +1 908 392 1777
E-Mail: br.wi@beumergroup.com
Internet: www.beumergroup.com

"This e-mail and any attachments are confidential and may contain legally privileged information. If you are not the intended recipient, please reply to sender and delete this e-mail and any attachments from your system. Any unauthorized use, disclosure or copying of this e-mail is prohibited."

From: Jerry Turner [<mailto:jturner@nafcofab.com>]
Sent: Wednesday, October 24, 2012 10:09 AM
To: Campbell, Gary (Gary.Campbell@CliffsNR.com); Pare, Etienne (Etienne.Pare@CliffsNR.com); Hachey, Benoit
Cc: Sanders, Lloyd; Williams, Bradley
Subject: FW: 1758 trucking

All,

I'm passing along an e-mail that James Corum distributed within NAFCO this morning. Obviously there is still frustration with the availability of the equipment needed to load steel without re-handling. There will be 15 loads of trusses to be shipped this week and next that will be 65' in length requiring extendable trailers. We must have that equipment on hand to load as the painting is complete. There have been 12 loads picked up this week and there are currently 6 waiting with loading in process in four bays. These next two weeks will be at a very high level of shipping as we complete the project and there can be NO more delays due to shipping or equipment. NAFCO has been under continuous pressure throughout this project to produce steel while the shipping has lagged miserably behind. Please help us complete your job successfully by providing what is needed in a timely manner over these last weeks.

Jerry

From: James Corum
Sent: Wednesday, October 24, 2012 9:14 AM
To: Jerry Turner
Cc: Ralph Parrish; Jim Smothers
Subject: 1758 trucking

We requested stretch trailers early last week, and was promised ONE on Monday and TWO on Tuesday, we have 0 at this writing, but again have been told there is one on the way, this has caused NAFCO to load one trailer that will have to be reloaded and one load in the floor that needs to be moved so others can be painted, the double handling due to the inefficiency of the trucking of this job has cost NAFCO countless hours in the shop, however we are somehow supposed to hold to a schedule, gentlemen I do not know how to achieve this without total cooperation from all parties involved , the trucking has been good for 2 months out of 10.

We will be working the paint shop this Saturday and Sunday.

Williams, Bradley

From: Williams, Bradley
Sent: Friday, October 26, 2012 9:48 AM
To: rallard@gpsi-intl.com; Gary Campbell
Cc: Sanders, Lloyd
Subject: Fwd: Remaining shipments

Gary, as we discussed yesterday, I have forwarded on Robert's direction to load material onto normal trailers if stretch trailers are not available. NAFCO is proceeding in this fashion per below.

Thanks,

BEUMER Kansas City LLC
Director of Projects
Brad Williams
4435 Main Street, Suite 600
Kansas City, MO 64111 USA
Phone: 816-245-7249
Mobile: 908-392-1777
E-Mail: br.wi@beumergroup.com
Internet: www.beumergroup.com
Sent by iPhone

Begin forwarded message:

From: Jerry Turner <jturner@nafcofab.com>
Date: October 26, 2012, 9:23:13 AM CDT
To: "Williams, Bradley" <bradley.williams@beumergroup.com>
Subject: RE: Remaining shipments

Brad,

We are currently out of stretch trailers and are loading standard trailers. We'll continue to do what we need to do to get all of the steel fabricated and ready for shipment. We don't want to be the hold-up on completing as quickly as possible. Just a reminder that this will require more double handling of the long trusses when the proper trailers do arrive.

Jerry

BEUMER Corporation
 800 Apgar Drive • Somerset, NJ 08873 USA
 Tel.: +1 (732) 893 2800 • Fax. +1 (732) 805 0474
 E-Mail: usa@BEUMER.com
 Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
 1115 Rue University, Suite 508
 Montreal QC H3B 3A7
 CANADA

Your Reference: PP-272
 Our Reference: 61110015
 Your contact: Mr. Lloyd Sanders
 EMail: Lloyd.Sanders@beumer.com
 Phone: 816-245-7256
 Fax:
 Date: 10/13/2011
 Pages: 2

Commercial Invoice: 101000781

Due Date: 11/27/2011
 Delivery Address: The Bloom Lake Iron Ore Mine LP
 Route 389, CP 2029
 Fermont QC G0G 1J0
 CANADA

Payment Terms: Net 45

Thank you for ordering products from BEUMER Corporation. We are pleased to confirm your order as follows:

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 10% down payment upon signing of contract less 10% retainage (\$2,947,298.50 - \$294,729.85) Bloom Lake Overland Conveyor	1.00	2,652,568.65	2,652,568.65
2	Milestone CL Sys Tax	Milestone CL System Taxable 25% upon commencement of purchasing less 10% retainage (\$7,368,246.25 - \$736,824.63) Bloom Lake Overland Conveyor	1.00	6,631,421.62	6,631,421.62
Subtotal					9,283,990.27
3	Milestone CL Sys Tax	Milestone CL System Taxable 10% down payment upon signing of contract less 10% retainage (\$1,418,807.70 - \$141,880.77) Bloom Lake Tripper Conveyor	1.00	1,276,926.93	1,276,926.93
4	Milestone CL Sys Tax	Milestone CL System Taxable 25% upon commencement of purchasing less 10% retainage (\$3,547,019.25 - \$354,701.93) Bloom Lake Tripper Conveyor	1.00	3,192,317.32	3,192,317.32
Subtotal					4,469,244.25

Carry Over
 13,753,234.52

Sales Order	Date	Carry Over
104	10/13/2011	13,753,234.52

5	Tax	Sales Tax TPS/GST 862260338 RT0001	1.00	687,661.73	687,661.73
6	Tax	Sales Tax TVQ/ QST 1215974835 IC0001	1.00	1,169,024.93	1,169,024.93

Total order value \$43,661,062.00

Please wire transfer payment to:

Bank of America

SWIFT Code: BOFAUS3N

ABA Routing #026009593

Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice.

The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

	Net Sub-Total	(USD)	15,609,921.18
Lloyd Sanders	Total	(USD)	15,609,921.18

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax. +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
E-Mail: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax:
Date: 12/29/2011
Pages: 2

Commercial Invoice: 101000800

Due Date: 02/12/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Payment Terms: Net 45

Thank you for ordering products from BEUMER Corporation. We are pleased to confirm your order as follows:

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon submission of engineering documents less 10% retainage (\$1,473,649.25 - \$147,364.93) Bloom Lake Overland Conveyor	1.00	1,326,284.32	1,326,284.32
2	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon submission of engineering documents less 10% retainage (\$709,403.85 - \$70,940.39) Bloom Lake Tripper Conveyor	1.00	638,463.46	638,463.46
Subtotal					1,964,747.78
3	Tax	Sales Tax TPS/GST 862260338 RT0001	1.00	98,237.39	98,237.39
4	Tax	Sales Tax TVQ/ QST 1215974835 IC0001	1.00	167,003.56	167,003.56

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice.

The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Carry Over
2,229,988.73

Sales Order	Date	Carry Over
104	12/29/2011	2,229,988.73

	Net Sub-Total	(USD)	2,229,988.73
Lloyd Sanders	Total	(USD)	2,229,988.73

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax. +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
Email: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 03/08/2012
Pages: 2

Commercial Invoice: 101200015

Due Date: 04/22/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Payment Terms: Net 45

Thank you for ordering products from BEUMER Corporation. We are pleased to confirm your order as follows:

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 6% monthly progressive billing (March, 2012) less 10% retainage (\$1,984,404.18 - \$198,440.42) Bloom Lake Overland Conveyor	1.00	1,785,963.76	1,785,963.76
2	Milestone CL Sys Tax	Milestone CL System Taxable 6% monthly progressive billing (March, 2012) less 10% retainage (\$933,837.27 - \$93,383.28) Bloom Lake Tripper Conveyor	1.00	840,453.56	840,453.56
Subtotal					2,626,417.32
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	131,320.87	131,320.87
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 8.925%	1.00	234,407.75	234,407.75

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice.

The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Carry Over
2,992,145.94

Sales Order	Date	Carry Over
101	03/08/2012	2,992,145.94

	Net Sub-Total	(USD)	2,992,145.94
Lloyd Sanders	Total	(USD)	2,992,145.94

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
Email: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 04/05/2012
Pages: 2

Commercial Invoice: 501200458

Due Date: 05/20/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 9.6% monthly progressive billing (April, 2012) less 10% retainage (\$2,836,069.44-\$283,606.94) Bloom Lake Overland Conveyor	1.00	2,552,462.50	2,552,462.50
2	Milestone CL Sys Tax	Milestone CL System Taxable 9.6% monthly progressive billing (April, 2012) less 10% retainage (\$1,366,198.28 - \$136,619.83) Bloom Lake Tripper Conveyor	1.00	1,229,578.46	1,229,578.46
Subtotal					3,782,040.96
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	189,102.05	189,102.05
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 8.925%	1.00	337,547.16	337,547.16

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice.

The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Commercial Invoice	Date	Carry Over
501200458	04/05/2012	4,308,690.17

Net Sub-Total	(USD)	4,308,690.17
Total	(USD)	4,308,690.17

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
Email: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 05/08/2012
Pages: 2

Commercial Invoice: 501200642

Due Date: 06/22/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 7.125% monthly progressive billing (May, 2012) less 10% retainage (\$2,104,895.29- \$210,489.53) Bloom Lake Overland Conveyor	1.00	1,894,405.76	1,894,405.76
2	Milestone CL Sys Tax	Milestone CL System Taxable 7.125% monthly progressive billing (May, 2012) less 10% retainage (\$1,013,975.28 - \$101,397.53) Bloom Lake Tripper Conveyor	1.00	912,577.75	912,577.75
Subtotal					2,806,983.51
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	140,349.18	140,349.18
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 8.925%	1.00	250,523.28	250,523.28

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.



BEUMER



CRISPLANT

BEUMERGROUP

Commercial Invoice	Date	Carry Over
501200642	05/08/2012	3,197,855.97

Net Sub-Total	(USD)	3,197,855.97
Total	(USD)	3,197,855.97

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
Email: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 06/28/2012
Pages: 2

Commercial Invoice: 501200876

Due Date: 08/12/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 8.34% monthly progressive billing (June, 2012) less 10% retainage (\$2,463,835.33 - \$246,383.53) Bloom Lake Overland Conveyor	1.00	2,217,451.80	2,217,451.80
2	Milestone CL Sys Tax	Milestone CL System Taxable 8.34% monthly progressive billing (June, 2012) less 10% retainage (\$1,186,884.75 - \$118,488.48) Bloom Lake Tripper Conveyor	1.00	1,068,196.28	1,068,196.28
Subtotal					3,285,648.08
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	164,282.40	164,282.40
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	327,743.40	327,743.40

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Commercial Invoice	Date	Carry Over
501200873	06/28/2012	3,777,673.88

Net Sub-Total	(USD)	3,777,673.88
Total	(USD)	3,777,673.88

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
Email: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 08/09/2012
Pages: 2

Commercial Invoice: 501201175

Due Date: 09/23/2012
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 9.02% monthly progressive billing (July, 2012) less 10% retainage (\$2,664,723.58 - \$266,472.36) Bloom Lake Overland Conveyor	1.00	2,398,251.23	2,398,251.23
2	Milestone CL Sys Tax	Milestone CL System Taxable 9.02% monthly progressive billing (July, 2012) less 10% retainage (\$1,283,657.13-\$128,365.71) Bloom Lake Tripper Conveyor	1.00	1,155,291.42	1,155,291.42
Subtotal					3,553,542.65
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	177,677.13	177,677.13
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	354,465.88	354,465.88

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers:

2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Commercial Invoice	Date	Carry Over
501201175	08/09/2012	4,085,685.66

Net Sub-Total	(USD)	4,085,685.66
Total	(USD)	4,085,685.66

BEUMER Corporation
 800 Apgar Drive • Somerset, NJ 08873 USA
 Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
 E-Mail: usa@BEUMER.com
 Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
 1115 Rue University, Suite 508
 Montreal QC H3B 3A7
 CANADA

Your Reference: PP-272
 Our Reference: 61110015
 Your contact: Mr. Lloyd Sanders
 Email: Lloyd.Sanders@beumer.com
 Phone: 816-245-7256
 Fax: 816-605-1693
 Date: 09/14/2012
 Pages: 1

Commercial Invoice: 501201383

Due Date: 10/29/2012
 Delivery Address: The Bloom Lake Iron Ore Mine LP
 Route 389, CP 2029
 Fermont QC G0G 1J0
 CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 6.14% monthly progressive billing (August, 2012) less 10% retainage (\$1,813,902.75 - \$181,390.28) Bloom Lake Overland Conveyor	1.00	1,632,512.48	1,632,512.48
2	Milestone CL Sys Tax	Milestone CL System Taxable 6.14% monthly progressive billing (August, 2012) less 10% retainage (\$873,797.65 - \$87,379.77) Bloom Lake Tripper Conveyor	1.00	786,417.89	786,417.89
Subtotal					2,418,930.37
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	120,946.52	120,946.52
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	241,288.30	241,288.30

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:
 Bank of America
 SWIFT Code: BOFAUS3N
 ABA Routing #026009593
 Beumer Corporation Account #4146004706

Disclaimers: 2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Net Sub-Total	(USD)	2,781,165.19
Total	(USD)	2,781,165.19

BEUMER Corporation
 800 Apgar Drive • Somerset, NJ 08873 USA
 Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
 E-Mail: usa@BEUMER.com
 Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
 1115 Rue University, Suite 508
 Montreal QC H3B 3A7
 CANADA

Your Reference: PP-272
 Our Reference: 61110015
 Your contact: Mr. Lloyd Sanders
 EMail: Lloyd.Sanders@beumer.com
 Phone: 816-245-7256
 Fax: 816-605-1693
 Date: 10/23/2012
 Pages: 2

Commercial Invoice: 501201596

Due Date: 12/07/2012
 Delivery Address: The Bloom Lake Iron Ore Mine LP
 Route 389, CP 2029
 Fermont QC G0G 1J0
 CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable CO #1: PP-272-1 Addition of fluid couplings Bloom Lake Sacrificial Conveyor	1.00	18,945.00	18,945.00
2	Milestone CL Sys Tax	Milestone CL System Taxable CO #1: PP-272-1 Relocation of cable tray Bloom Lake Overland Conveyor	1.00	50,460.00	50,460.00
3	Milestone CL Sys Tax	Milestone CL System Taxable Final monthly progressive billing (September, 2012) less 10% retainage (\$868,661.92 - \$86,866.20) Bloom Lake Overland Conveyor	1.00	781,795.72	781,795.72
4	Milestone CL Sys Tax	Milestone CL System Taxable CO#1: PP-272-1 Addition of fluid couplings Bloom Lake Tripper Conveyor	1.00	43,155.00	43,155.00
5	Milestone CL Sys Tax	Milestone CL System Taxable Final monthly progressive billing (September, 2012) less 10% retainage (\$435,688.08 - \$43,568.81) Bloom Lake Tripper Conveyor	1.00	392,119.27	392,119.27
Subtotal					1,286,474.99
6	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	64,323.75	64,323.75
7	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	128,325.88	128,325.88

Payment terms: Net 45 days from invoice date without any deduction.

Please wire transfer payment to:

Commercial Invoice	Date	Carry Over
501201596	10/23/2012	1,479,124.62

Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers: 2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based on sales order 61110015.

Net Sub-Total	(USD)	1,479,124.62
Total	(USD)	1,479,124.62

BEUMER Corporation
 800 Apgar Drive • Somerset, NJ 08873 USA
 Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
 E-Mail: usa@BEUMER.com
 Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
 1115 Rue University, Suite 508
 Montreal QC H3B 3A7
 CANADA

Your Reference: PP-272
 Our Reference: 61110015
 Your contact: Mr. Lloyd Sanders
 EMail: Lloyd.Sanders@beumer.com
 Phone: 816-245-7256
 Fax: 816-605-1693
 Date: 11/28/2012
 Pages: 1

Commercial Invoice: 501201774

Due Date: 12/31/2012
 Delivery Address: The Bloom Lake Iron Ore Mine LP
 Route 389, CP 2029
 Fermont QC G0G 1J0
 CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon start-up of equipment less 10% retainage (\$1,473,649.25 - \$147,364.93) Bloom Lake Overland Conveyor	1.00	1,326,284.32	1,326,284.32
2	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon start-up of equipment less 10% retainage (\$709,403.85 - \$70,940.39) Bloom Lake Tripper Conveyor	1.00	638,463.46	638,463.46
Subtotal					1,964,747.78
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	98,237.39	98,237.39
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	195,983.59	195,983.59

Payment terms: Per contract agreement, payment date not to exceed December 31, 2012.

Please wire transfer payment to:
 Bank of America
 SWIFT Code: BOFAUS3N
 ABA Routing #026009593
 Beumer Corporation Account #4146004706

Disclaimers: 2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Net Sub-Total	(USD)	2,258,968.76
Total	(USD)	2,258,968.76

BEUMER Corporation
800 Apgar Drive • Somerset, NJ 08873 USA
Tel.: +1 (732) 893 2800 • Fax: +1 (732) 805 0474
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

The Bloom Lake Iron Ore Mine Ltd. Partnership
1115 Rue University, Suite 508
Montreal QC H3B 3A7
CANADA

Your Reference: PP-272
Our Reference: 61110015
Your contact: Mr. Lloyd Sanders
E-Mail: Lloyd.Sanders@beumer.com
Phone: 816-245-7256
Fax: 816-605-1693
Date: 02/15/2013
Pages: 2

Commercial Invoice: 501300176

Due Date: 04/30/2013
Delivery Address: The Bloom Lake Iron Ore Mine LP
Route 389, CP 2029
Fermont QC G0G 1J0
CANADA

Pos	Item No.	Designation	Quantity	Net Unit Price (USD)	Net Sub-Total (USD)
1	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon acceptance less 10% retainage (\$1,473,649.25 - \$147,364.93) Bloom Lake Overland Conveyor	1.00	1,326,284.32	1,326,284.32
2	Milestone CL Sys Tax	Milestone CL System Taxable 5% upon acceptance less 10% retainage (\$709,403.85 - \$70,940.39) Bloom Lake Tripper Conveyor	1.00	638,463.46	638,463.46
Subtotal					1,964,747.78
3	Tax	Sales Tax TPS/GST 862260338 RT0001: 5%	1.00	98,237.39	98,237.39
4	Tax	Sales Tax TVQ/QST 1215974835 IC0001: 9.5%	1.00	195,983.59	195,983.59

Payment terms: Per contract agreement, payment date not to exceed April 30, 2013

Please wire transfer payment to:
Bank of America
SWIFT Code: BOFAUS3N
ABA Routing #026009593
Beumer Corporation Account #4146004706

Disclaimers: 2% Discount does not apply to this invoice. The 10% retainage has been withheld until bank account data has been confirmed. Therefore payment is due in full.

Based On Sales Orders 61110015.

Commercial Invoice	Date	Carry Over
501300173	02/15/2013	2,258,968.76

Net Sub-Total	(USD)	2,258,968.76
Total	(USD)	2,258,968.76

From: Warmoth, Frank <frank.warmoth@beumergroup.com>
Sent: Saturday, July 14, 2012 3:23 PM
To: Robert E Allard
Cc: Sanders, Lloyd; Williams, Bradley
Subject: Schedule Acceleration and Request for Extra
Attachments: Ltrr 611-010015-006 Scope Clarification Requests.docx

Dear Robert,

Last week at Bloom Lake Yannick and Améle expressed dissatisfaction with Beumer's delivery schedule and demanded improvement. Cliffs appears to believe that the sole responsibility for schedule slippage is Beumer's. As I believe you're aware that is not the case, as explained below.

After that discussion we asked NAFCO to prepare a recovery plan to complete deliveries in September. We met with NAFCO Wednesday to review their plan. By a combination of overtime and subcontracting other work, NAFCO have committed to deliver everything (except possibly the tripper car) in September.

Additional Manufacturing Cost and Schedule Effects

In May I told you that Jim Smothers at NAFCO was preparing a substantial claim for extra compensation. We initially received very little information as to the makeup, but generally resulting from design changes, re-sequencing, and interruptions to flow due to delays in dispatch. Wednesday, NAFCO submitted a request to recover \$747,500 for these impacts and for double handling, welding and handling of large box trusses, and storage. After deducting that portion not attributable to Cliffs (to Beumer's account), the remainder is \$627,500.

I refer you to our attached letter of 12/26/11 advising Cliffs that we had been delayed and that further changes and actions would have schedule and cost consequences. In that letter we stated it necessary due to delays to move the LD dates to October 28, 2012. We further requested that further schedule changes and interruptions to production cease. For various reasons they didn't. Earlier-than-planned preassembly and changes in the construction schedule (again) had ramifications in the shop. Shipments sat at NAFCO an average of 21 days instead of flowing smoothly through dispatch, affecting efficiency and requiring additional handling and storage.

We respectfully submit this as a request that Cliffs compensate Beumer, so we can pass that through to NAFCO. We are prepared to discuss it with NAFCO present and submit supporting documentation as required. The key elements are:

- | | |
|--|-----------------|
| 1. Overtime to maintain present schedule despite sequence changes and interruptions | \$350,000 |
| 2. Premium for welding oversized A-Frame trusses that were intended to be field assembled (bolted) | \$261,500 |
| 3. Trailer rental for storage of shipments that | <u>\$16,000</u> |

were not dispatched timely
Total request for extra \$627,500

Due to these additional disruptions to production, we request that the date at which liquidated damages apply be moved to November 30, 2012. Among the reasons for delay of the ore storage shed are the weldments of the large box sections that were intended to be field assembled. This shop cost is surely more than offset by field savings. Obviously, it is our intention to complete deliveries well in advance of this penalty date, but we feel the penalties should not apply until a later date due to the reasons given here.

Schedule Recovery Plan

NAFCO submitted a recovery plan to complete deliveries in September that will require overtime and subcontracting all other work at a loss to devote their shop(s) to Cliffs. The additional cost to accelerate the schedule is \$454,000. We must receive Cliffs' acceptance by July 18 to proceed on this plan.

- | | |
|---------------------------------|------------------|
| 1. Overtime to improve schedule | \$300,000 |
| 2. Loss from subcontracted work | <u>\$154,000</u> |

Total request for extra to accelerate schedule \$454,000

Additional site presence

We are also planning to ramp up our site presence during the erection of OSS Frames 1 and 2 (at a minimum) with Iron Worker technical representatives as asked by Cliffs. Lloyd will send rates Monday. We have 3 strong superintendents possibly that have worked for us before that are possibly available and from which we will select 2 so as to have a full time presence during that crucial time. I have also asked Lloyd to schedule one visit per month through completion of installation to address issues with all parties timely.

Robert, kindly advise time and location when we may discuss how to proceed.

Yours truly,
Frank

BEUMER Kansas City LLC
President
Frank Warmoth, PE
4435 Main Street, Suite 600
Kansas City, MO 64111 USA
Phone: 816-245-7252
Mobile: 816-803-1210
E-Mail: fr.wa@beumergroup.com
Internet: www.beumergroup.com

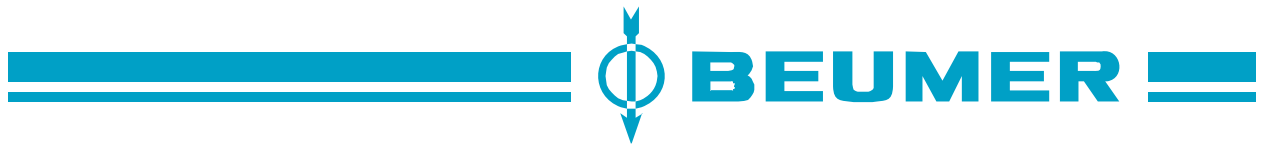
From: Robert E Allard [<mailto:rallard@gpsi-intl.com>]
Sent: Friday, July 13, 2012 9:05 AM
To: Warmoth, Frank
Subject: Frank what is the best time to call you

Robert Allard

Président/President



Global Partner Solutions Inc
Division Mines et Industries
Mining and Industrial Division
1415 32e Avenue, Lachine, QC H8T 3J1
Tel: 514.636.6045 x 229
Cell: 514.894.3237
www.gpsi-intl.com



BEUMER CORPORATION
4435 Main St., Ste. 750 · Kansas City, MO 64111 ·
USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref.: 611-010015-006
Project No. 611-010015
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: 12/28/11

Mr. Jean-Philippe Proulx
Procurement Lead - Project
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

Ref: The Bloom Lake Phase II Project, Purchase Order no. PP 272.

Dear Jean-Philippe,

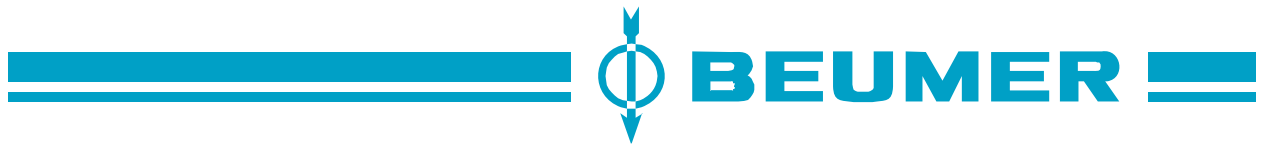
Season's Greetings, and happy New Year! We hope you are enjoying the holidays.

We would like to address your recent decisions on freight and pre-assembly management and requests to alter our manufacturing and delivery schedules. In the spirit of cooperation we are attempting to adjust to these recent changes, but we want make you aware of the potential impact and ensure we proceed with a common understanding.

Freight and Preassembly - The contract states that freight and preassembly will be added to Beumer's contract on a cost-plus basis. We believe that the best cost and schedule results for Cliffs could be accomplished under Beumer's complete control and supervision, instead of divided responsibility. Several weeks ago GPS was introduced and since has taken charge of the logistics and decision making with respect to logistics and preassembly. We were informed last week by Robert Allard of GPS that they have selected an assembler and freight company not recommended by Beumer. Cliffs' election to place this under the control of GPS, while acceptable to Beumer, represents a change in the agreement and in Beumer's role in the project. We request the agreement be amended to clarify Beumer's responsibilities, which are not clear at this time.

We respectfully request a revised scope-of-work defining the services you expect from Beumer and our suppliers with respect to freight and preassembly. After receiving that information we will gladly provide you a revised quotation. We also request written clarification of the role of GPS, and how they are to be included in the communication matrix. Specifically, we need to know whether we are to follow their direction, and who the key players are from whom we are to take direction. We don't want to follow direction and later find out there is no contractual basis.

Changes to Schedule - As you are undoubtedly aware, this project involves an abnormally high amount of fabrication, mostly low-temperature steel that must be ordered from the mill. We began planning months before receiving an award, which enabled us to compress an 18 month project into a much shorter timeframe. Our original schedule was submitted on August 22nd and following a joint review a conformed schedule was submitted on September 19th. We didn't receive a construction schedule until December 8th. That schedule shows some construction occurring prior to our delivery dates. We are evaluating our ability to accommodate that schedule without additional costs, but it is unlikely that we can fully adjust without increasing cost.



Beumer will try to accommodate a reasonable number of change requests, but from experience we know the effects after the train has left the station. Changes in sequence, acceleration, delay, compression, or extension of the schedule at any stage through completion will increase the cost and possibly cause unanticipated delays.

In light of the changes and engineering requests that have occurred since receiving our contract, Beumer respectfully requests Cliffs' agreement to extend the Liquidated Damages assessment starting date by four weeks, from September 30, 2012 to October 28, 2012. Please note that we are not asking to extend our delivery end dates at this time, as we are confident that we will be able to meet those dates. However, we believe the time lost to design changes requested by Cliffs should be acknowledged, as those changes have impacted our ability for early releases to fabrication. The time lost will have an impact on the expressed March 2012 deliveries shown in the Construction schedule Cliffs released on December 8th, 2011. As noted in our meetings in late August 2011, our schedule was developed together with Cliffs to allow for delivery of assembled conveyor no sooner than April 2012. This was to avoid installation during the cold winter months of January through March. We are working diligently to accelerate fabrication in support of this recent schedule, but at this late date we may not be able to meet all of the desired deliveries in time for an early March installation.

Notable items that extended engineering releases:

- Cliffs request to change the foundation elevations at the Ore Storage Building.
- Ore Storage egress requirements not resolved until Oct. 14th.
- Cliffs adding stacker foundations to the Ore Storage Building
- Wind wall relocation
- Relocation of the Cable Tray on the OLC conveyor, (also caused re-purchase of steel and oversize shipping loads)
- Cable Tray loading changes
- Request to change the elevation at the tail end of the OLC.
- Change in foundation heights at the OLC to Tripper Tower.

Inquiries for change take time to evaluate, interrupting and draining resources from execution of our work plan - with direct cost and indirect consequences. Therefore, we respectfully caution you against any extraneous changes. That is not yet the case, but it is our duty to inform you that we will record time to process these requests, and reserve the right to seek reimbursement when the costs exceed reasonable limits.

While the above is a formal statement of our position, please note that we have no motive other than a successful project outcome. I ask that you review the above and contact us with any questions. Please try to respond within the next couple of weeks, as we wish to resolve these concerns as quickly as possible..

Yours truly,

Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Pascal Valle', Yannick Nadeau, Cliffs
Simon Shipp, Brad Williams, Rob Viard - Beumer

BEUMER CORPORATION
4435 Main St., Ste. 600 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref job number : 611-010015
Proposal No. 611-010015-Q
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: February 8, 2013

Mr. Yannick Nadeau
Directeur Civil/Mechanical/Piping Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0

Ref: The Bloom Lake Phase II Project, Beumer Group Purchase Order no. PP 272.

Dear Yannick,

Beumer hereby submits our request for reimbursement for additional engineering time, not included in the original contract scope. This request required evaluating and/or providing structural design enhancements to the OSS building for support of the Tripper Gallery. The goal was to enable operation of the tripper conveyor before the OSS structure was fully erected. Tripper operation prior to completing the OSS erection was contrary to the installation sequence submitted by Beumer on drawing L-280 of the contract drawings and constitutes a change in scope. Engineering evaluations begin in late in September, officially requested on the 27th of September by Yannick Nadeau and continued through October 31st when the engineer of record issued a confirming letter to the effect that the tripper gallery, with the conveyor installed, could be operated within the design criteria submitted. There were additional structural requirements needed to accommodate the early installation. Additional bracing had to be added to the existing structure. Only the engineering for the analysis for early installation and design of the additional bracing is included in this request.

Beumer has assisted Cliffs by providing the engineering analysis and designs to allow early operation of the tripper conveyor. This work is a reimbursable item, as an extra to the Beumer's original scope of work.

Total cost for additional engineering hours.....\$24,720.00

Beumer respectfully requests that Cliffs issue a purchase order for the amount above for this additional scope of work. Please contact us if you have any questions or concerns. We respectfully request a Purchase Order be issued by February 15, 2013.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Frank Warmoth, Brad Williams, Rob Viard - Beumer

BEUMER CORPORATION
4435 Main St., Ste. 750 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our Ref. job number : 611-010015
Proposal No. 611-010015-R Rev. 1
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: February 1, 2013

Mr. Yannick Nadeau
Directeur Civil/Mechanical/Piping Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0

Ref: The Bloom Lake Phase II Project, Beumer Group Purchase Order no. PP 272.

Dear Yannick,

Throughout the last several months, Beumer has been requested to fabricate steel that was either missing or damaged at the job site. Gary Campbell issued a missing parts list to Beumer/Nafco to summarize parts delivered, but not located on site.

- a. Beumer/NAFCO has fabricated and delivered steel items that have been requested as extras or re-makes to fabrication. Refer to parts list beginning on page 2 of this request. Only items manufactured by Nafco that do not have an “X” or “XX” in the EDD column are included in this request. Items provided by Fransi or Fournier at Gary’s request are also not included.
- b. Please note in the event that additional steel parts are needed, either new or to replace items previously delivered, Beumer reserves the right to submit and invoice for any additional costs.

Net cost for extra and/or remade fabricated steel parts.....\$64,800.98

Beumer respectfully requests that Cliffs issue a purchase order for this additional scope of work. All parts have been delivered to the job site. Please review the above letter and contact us with any questions. We respectfully request a purchase order within 7 days of receipt of this letter.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Simon Shipp, Brad Williams, Rob Viard – Beumer

Nafco Parts from Gary Campbell's Missing Parts- 20-11-2012

Part	Qty	Desc	Loc	Date	CW	Man	EDD	Date rec
1D202A	2		Bent 41		X	Nafco		4-Sep
1D263G	1		Bent 30		X	Nafco		4-Sep
1D376B	1		Tower 1		X	Nafco		4-Sep
1D449E	1		Tower 1		X	Nafco		4-Sep
1D373-A	4	Grating	T4			Nafco	X	4-Sep
1D373-D	1	Grating	T4			Nafco	X	4-Sep
1D373-F	1	Grating	T4			Nafco	X	4-Sep
1D373-G	1	Grating	T4			Nafco	X	4-Sep
1D373-H	5	Grating	T4			Nafco	X	4-Sep
1D373-K	1	Grating	T4			Nafco	X	4-Sep
1D373-M	1	Grating	T4			Nafco	X	4-Sep
1D373-N	1	Grating	T4			Nafco	X	4-Sep
1D373-P	1	Grating	T4			Nafco	X	4-Sep
1D370-A	1	Hand-Rail	T4			Nafco	X	4-Sep
1D370-B	1	Hand-Rail	T4			Nafco	X	4-Sep
2D71-B	32	Sag Rod	TT2	23-Aug		Nafco		10-Oct
2D71-C	4	Sag Rod	TT2	23-Aug		Nafco		10-Oct
3D79-B	2	Sag Rod	TT2	23-Aug		Nafco		10-Oct
2D26-A	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D50-B	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D53-A	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D76-B	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D130-C	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D172-A	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D175-B	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D178-C	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D197-B	1	Beam	TT2	23-Aug	X	Nafco		30-Sep
2D219-C	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D225-C	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D259-B	1	Brace	TT2	23-Aug	X	Nafco		30-Sep
2D357-AM	1	Grating	TT2	23-Aug		Nafco		30-Sep
1D16A	2	Bracing	36 meters	29-Aug	X	Nafco		30-Sep
1D31A	3	Bracing	48 meters	29-Aug	X	Nafco		30-Sep
1D31C	14	Bracing	48 meters	29-Aug	X	Nafco		30-Sep
1D33A	4	Bracing	48 meters	29-Aug	X	Nafco		30-Sep

3/8 X 53/4 X 121/4	16	PP-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
1/2 X7 1/8 X 15	30	PM-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
1/2 X23/4 X15	16	PN-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
10GA X 23/4 X71/2	8	PT-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
16GA X23/4 X71/2	3	PW-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
1/4 X 71/8 X71/2	4	PV-QRT-42	36 M/48 m	23-Aug	X	Nafco		30-Sep
1D263-G	Half	Brace	Bent 30	23-Aug	X	Nafco		30-Sep
5/8 X 8 X 121/4	2	PD-QRT-062	Bent 34	30-Aug	X	Nafco		30-Sep
3/8 X9 X 9	2	PF-QRT-062	Bent 34	30-Aug	X	Nafco		30-Sep
3/8 X9 X12(8holes	2	Plate PF	Bent 30	1-Sep	X	Nafco		30-Sep
1D520 G (E132)	2	Corbels	Bent 19	1-Sep	X	Nafco		30-Sep
SK-1-00312-A	8	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-B	6	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-C	12	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-D	18	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-F	16	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-H	4	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
SK-1-00312-K	8	Splice plate	OSS	3-Oct	X	Nafco		21-Oct
1D 370 A	1	Handrail	Tower-4	3-Oct		Nafco		23-Oct
1D 370 B	1	Handrail	Tower-4	3-Oct		Nafco		23-Oct
1D532-3	1	Handrail	Conv 104	3-Oct		Nafco		5-Nov
1D532-4	1	Handrail	Conv 104	3-Oct		Nafco		5-Nov
1D535-1	1	Grating	Conv 104	3-Oct		Nafco		7-Nov
1D535-1	2	Grating	Conv150	3-Oct		Nafco		7-Nov
1D589-1	2	Grating	Conv 181	3-Oct		Nafco	X	21-Oct
1D 524-2	1	Beam	Conv 193	3-Oct	X	Nafco		21-Oct
1D589-2	2	Grating	Conv 193	3-Oct		Nafco		21-Oct
1D535-2	2	Grating	Conv 199	3-Oct		Nafco		7-Nov
1D746-F	1	Handrail	TT2	24-Oct		Nafco	5-Dec	12-Oct
1D746-G	1	Handrail	TT2	24-Oct		Nafco	5-Dec	12-Oct
1D756-B	1	Channel	TT2	24-Oct		Nafco	5-Dec	12-Oct
1D756-G	2	Channel	TT2	24-Oct		Nafco	5-Dec	12-Oct
1D601-3	1	Beam	TT-2	7-Nov		Nafco	5-Dec	found
1D601-4	1	Beam	TT-2	7-Nov		Nafco	5-Dec	found
7D886-mc	1	Brace		24-Oct		Nafco	XX	9-Nov
7D340F	4	Brace		24-Oct		Nafco	XX	7-Nov
7D340P	2	Brace		24-Oct		Nafco	XX	7-Nov
7D341C	4	Brace		24-Oct		Nafco	XX	7-Nov
7D341D	2	Brace		24-Oct		Nafco	XX	7-Nov
7D894R	1	Brace		24-Oct		Nafco	XX	7-Nov
5D6-2	4	Post	Trip con	7-Nov	X	Nafco	5-Dec	3-Dec
5D182-2	1	Walk Sup	Trip car	7-Nov	X	Nafco	5-Dec	3-Dec

5D182-3	1	Walk Sup	Trip car	7-Nov	X	Nafco	5-Dec	3-Dec
5D182-4	1	Walk Sup	Trip car	7-Nov	X	Nafco	5-Dec	3-Dec
5D187-1	1	Bracket	Trip car	7-Nov	X	Nafco	5-Dec	3-Dec
5D187-2	1	Bracket	Trip car	7-Nov	X	Nafco	5-Dec	3-Dec
6D894-F	1	Angle	OSS	8-Nov	X	Nafco	5-Dec	3-Dec
MK 1D474A	2	Ladders	Overland	12-Nov	X	Nafco	5-Dec	3-Dec
Mk 1D474B	4	Ladders	Overland	12-Nov	X	Nafco	5-Dec	3-Dec
6D335M.	2	Angles	OSS	12-Nov	X	Nafco	5-Dec	3-Dec

BEUMER CORPORATION
4435 Main St., Ste. 600 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref job number : 611-010015
Proposal No. 611-010015-S
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: January 4, 2013

Mr. Yannick Nadeau
Directeur Civil/Mechanical/Piping Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0

Ref: The Bloom Lake Phase II Project, Beumer Group Purchase Order no. PP 272.

Dear Yannick,

Beumer hereby submits our request for compensation for the additional fabricated steel services costs expended in support of Cliffs shipping constraints. This request also includes the costs to accelerate delivery to the end of October. Shipping constraints imposed on our fabricator caused extra costs for double handling of loads due to trailer shortages or shipper's trailer change requests. The requirement for substantial delivery by October 31st required outsourcing and shop overtime to accomplish delivery by that date. Please note that we informed Cliffs (Robert Allard) in September that Beumer had agreed to pay Nafco this extra cost to support Cliffs' requirements. Nafco had threatened to stop shipment unless they were compensated for their extra costs.

Fabrication Costs for Double Handling of loads :

- Shop cost reimbursement for 600 additional straight time hours for double handling of steel to load trailers for shipment to the jobsite for the time period from August 1 through October 31. Robert Trucking was not able to provide the necessary equipment in a timely manner throughout the project. This was especially disruptive on the A-frames and oversized truss loads that in many cases were handled multiple times.
- Our direct costs are 600 hrs x \$55.00 totaling \$33,000 USD.

Accelerated Delivery of Fabricated Steel Parts:

- On September 4th, 2012 a meeting was held in Montreal with Cliffs, Beumer, Nafco (Beumer's fabrication sub-contractor) and GPSI. In attendance were Amélie Dorion and Yannick Nadeau of Cliffs, Lloyd Sanders and Brad Williams of Beumer KC, Ralph Parrish, James Smothers, and Jerry Turner of Nafco; and Robert Allard and Gary Campbell of GPSI. During that meeting it was demanded that Beumer deliver the remainder of the fabricated steel by the end of October. In a good

faith effort to do what was necessary to achieve delivery by October 31st, 2012 Beumer, through our fabrication sub-contractor, paid for outsourcing to other shops and used 5100 hours of shop overtime to complete delivery by that date. All fabricated items to be with the exception of remakes were released for shipment by that date.

- Our direct cost for this item is \$223,600.00.

Please review the above requests and contact us with any questions.

Beumer respectfully request that Cliffs review these as separate requests so that approval of one item does not delay the issue of a Purchase order of an approved item. We request that we receive your response no later than February 8th, 2013.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Frank Warmoth, Brad Williams, Rob Viard - Beumer

BEUMER CORPORATION
4435 Main St., Ste. 600 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref job number : 611-010015
Proposal No. 611-010015-T
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: February 8, 2013

Mr. Yannick Nadeau
Directeur Civil/Mechanical/Piping Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0

Ref: The Bloom Lake Phase II Project, Beumer Group Purchase Order no. PP 272.

Dear Yannick,

Beumer hereby submits our request for reimbursement for additional engineering time not included in our original contract scope. Cliffs requested Beumer to evaluate dust accumulation on the OSS structure. This engineering effort was not part of the original scope of design as indicated by either the job specifications or by the National Building Code of Canada.

1. Engineering for Dust and/or Ice Loads on OSS Building

- a. On October 25th dust loading as design criteria is presented by Cliffs during an ACTION LIST conference call with Yannick, Brad, Eric, Frank, Rob and Lloyd.
- b. The OSS structural design included a 5% extra load factor of the structural dead load in addition to the standard load factors indicated by the building specifications. This 5% load factor was included as an additional safety measure at the time of the building design, to cover unknown load conditions not included in the design criteria. The 5% extra load was not added specifically for dust or ice loads, as there was no dust or ice load criteria within the Cliffs specifications or the National Building Code of Canada. Note that there were no communications from Cliffs for special considerations of dust or ice accumulation, prior to erection of the OSS Building.
- c. It took over a month to establish a dust design load and for preventative solutions to be developed by Cliffs and Beumer. This was not due to lack of communication between the two parties. During the design phase of this effort, several conference calls were held. In addition a 2 1/2 day work session took place in Montreal on November 28-30th. Both parties were working closely together and exchanging ideas to establish a reasonable load factor for the dust accumulation, and next to develop a design to prevent the possibility of significant dust accumulation at the trusses. Please note that the absence of a readily

available load factor for this situation is further verification that this requirement was new and not indicated within Cliffs' original building requirements or specifications.

- d. The result of Beumer's engineering work to date is that there are now 3 options available for adding flashing for dust control on the trusses. The options were presented to Cliffs on December 4th.
- Option 1: Flashing discontinuous at panel points: Analysis included dust accumulation at each panel point equal to the full trough dust load. Six (6) truss chords had apparent failures in this loading. The failures are small in magnitude and it is believed that they can be easily dealt with in the field. although more review is needed to determine what needs to be done.
 - Option 2: Flashing continuous over the full top and bottom chords: The weight of the flashing is less than the 5% self-weight factor. Additional analysis is not necessary to determine that this option will work.
 - Option 3: Insulation Spacer with flashing cover: The weight of this option is similar to Option 2. This option was not modeled as the impact is so little, it is assumed that it will work without further modifications.

Cliffs was to select the option they believe will work best for their installation, operation and budget and to inform Beumer of their decision. As of February 4, 2013, Cliffs has not communicated their decision to Beumer.

- e. As previously discussed, if Cliffs wishes Beumer to supply the flashing material, we will provide the material without cost to Cliffs. The preliminary estimates to provide the steel flashing material indicated for Option 2 is \$70,000.00 for the lower 12 trusses, and \$100,000.00 for full coverage of all the trusses. The flashing costs include bending by the manufacturer, to avoid the labor and time that would be required to bend the flashing on site. We reserve to right to withdraw this offer that was made in a good faith effort to resolve the disagreement.
- f. It is the owner's responsibility to perform maintenance of the OSS structure. By performing the additional engineering work requested by Cliffs for dust control options, Beumer has assisted Cliffs by providing the means to prevent significant dust build up on the structure, and thereby reduce Cliffs' future maintenance costs. This is a value add activity which was not included in our original scope of work and is a reimbursable item.

Total cost for additional engineering hours.....\$41,260.00

Beumer respectfully request Cliffs provide a purchase order for the amount indicated above by February 15th, 2013, for this additional scope of work. Please contact us if you have any questions or concerns.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Frank Warmoth, Brad Williams, Rob Viard - Beumer

BEUMER CORPORATION
4435 Main St., Ste. 600 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref job number : 611-010015
Proposal No. 611-010015-U
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: February 1, 2013

Mr. Yannick Nadeau
Directeur Civil/Mechanical/Piping Manager
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0

Ref: The Bloom Lake Phase II Project, Beumer Group Purchase Order no. PP 272.

Dear Yannick,

Beumer hereby requests Cliffs issue a purchase order for the extra cost to assemble the field bolts Beumer provided for the Ore Storage Building. Bolt assemblies were specifically requested by Cliffs as a convenience for the erector and were not included as a requirement for Beumer's scope of supply for bolts.

- a. On July 3rd, 4th and 5th, site meetings were held to discuss the OSS erection procedures with Cliffs, Nardella and to OSS erector. During this meeting, Beumer was requested to supply the field bolts as assembled units: bolt/washer/nut. The bolts assemblies were provided as requested for the Tripper Conveyor, Tripper Gallery, and the Ore Storage Building. The cost from our supplier to assemble the 60,916 field bolt assemblies required was \$0.165 per unit. We have added a 10% mark-up for the handling costs for a total of \$11,056.00.

Total requested for this change order is \$11,056.00

Please review the above proposal and contact us with any questions. We would appreciate your issuing a Change/Purchase Order by February 8th, so we can invoice to recover our out of pocket costs.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Frank Warmoth, Brad Williams, Rob Viard - Beumer

BEUMER CORPORATION
4435 Main St., Ste. 600 ·
Kansas City, MO 64111 · USA
Phone: (732) 893 2865 · Fax: (816) 605 1693
E-Mail: usa@BEUMER.com
Internet: www.BEUMER.com

Our ref job number : 611-010015
Proposal No. 611-010015-V
Contact: Lloyd Sanders
Phone: 816-245-7652
Date: February 8, 2013

Mr. Jean-Philippe Proulx
Procurement Lead - Project
CLIFFS NATURAL RESOURCES
SEC Mine de Fer du Lac Bloom
Gérée par Cliffs Québec Mine de Fer Limitée
1155 rue Université, suite 508, Montréal, Québec, H3B 3A7

Ref: The Bloom Lake Phase II Project, P.O. Order no. PP 272.

Dear Jean-Philippe,

Beumer hereby submits our request for reimbursement of approved travel expenses. These expense occurred while traveling within Canada. Travel is usually booked by Manon Bouchard of Cliffs and air travel costs are paid directly by Cliffs. However, if Air Canada needed to be used for flights, Manon was unable to book the flight and would request that Beumer book the flight and charge it back to Cliffs. Please reference Manon's email on page 2 of this letter. Also attached with this letter are the travel itineraries to document the following reimbursable travel expenses.

9/18 Flight from Fermont: Wabush to London,ON:.....	\$1035.20 USD
10/2 Flight to Fermont: London, ON to Wabush:.....	\$1047.80 USD
10/16 Flight from Fermont: Wabush to London,ON.....	\$718.45 USD*
10/25 Flight to Baie-Comeau: London,ON to Baie Comeau.....	\$605.31 USD
10/25 Car rental in Baie-Comeau:.....	\$487.70 USD
11/1 Flight to Fermont: Baie-Comeau to Wabush.....	\$718.45 USD*
12/12 Flight from Baie-Comeau: Baie Comeau to London,ON.....	\$1235.23 USD

*(single booking for outbound and return flight \$1,436.90)

Total Reimbursable Travel Expense.....\$5,848.14 USD

Please review the above requests and contact us with any questions.

Beumer respectfully request that Cliffs issues a change order by February 15th, 2013.

Yours truly,



Lloyd Sanders
Project Manager
Beumer Corporation

Cc: Dorion, Amélie <Amelie.Dorion@cliffsnr.com>, Jean-Philippe Proulx - Cliffs
Frank Warmoth, Brad Williams, Rob Viard - Beumer

From: Bouchard, Manon (Lac Bloom) [<mailto:Manon.Bouchard2@cliffsnr.com>]
Sent: Friday, September 14, 2012 12:27 PM
To: Naber, Adam; Baillargeon, Jean-Yves; Bosse, Jean-Yves
Cc: Sanders, Lloyd; Nichol, Terry
Subject: RE: Bloom Lake - Travel

The matter Adam is that I had a corporate card for all travels ; but Cliffs change the procedure and they forgot to plan to give me another card.
I can book with Pal and Pascan but I can't with Air Canada for now. The matter will be solve, I hope, shortly, but for the next Terry's OUT and IN Bloom site if you can book and charge us back I would appreciate.



MANON BOUCHARD

Coordonnatrice – Logistique des services - Expansion
Coordinator – Logistics services - Expansion
P 418.287.2000 extension 2012
M 418.564.2668 manon.bouchard2@cliffsnr.com

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée
Lac Bloom – Route 389, Fermont (Québec) G0G 1J0
P 418.287-2000 F 418.287-3824 cliffsnaturalresources.com

De : Naber, Adam [<mailto:adam.naber@beumergroup.com>]
Envoyé : 14 septembre 2012 12:13
A : Baillargeon, Jean-Yves; Bosse, Jean-Yves; Bouchard, Manon (Lac Bloom)
Cc : Sanders, Lloyd; Nichol, Terry
Objet : Bloom Lake - Travel

Jean-Yves & Jean-Yves

I have a question.... so far on the project, Cliffs has taken care of all of our in country (Canada) travel, as per our contract.

Terry is telling us today that he is having trouble getting his ticket for his trip out next week.

If you would prefer we can book the travel ourselves and invoice you for it. The arrangement of Jimmy and Terry booking it directly with Manon has worked well so far.

Please let me know what you would like to do.

Terry is trying to get booked out today, the sooner you can let us know the better.

BEUMER Kansas City LLC
Project Construction Manager
Adam Naber
4435 Main Street, Suite 600
Kansas City, MO 64111 • USA
Phone: +1 816 245 7257
Mobile: +1 816 284 9071
E-Mail: ad.na@beumergroup.com
Internet: www.beumergroup.com

From Manon on Sept. 27th, 2012

The matter with him is that the connexion with Pal is not useful with his Air Canada flight from London. The travel is better with all Air Canada London to Wabush and I can't book anything with Air Canada without Credit card

MANON BOUCHARD

Coordonnatrice - Logistique des services - Expansion Coordinator - Logistics services - Expansion P
418.287.2000 extension 2012

M 418.564.2668 manon.bouchard2@cliffsnr.com

CLIFFS NATURAL RESOURCES

SEC Mine de Fer du Lac Bloom

Gérée par Cliffs Québec Mine de Fer Limitée Lac Bloom - Route 389, Fermont (Québec) G0G 1J0 P
418.287-2000 F 418.287-3824 cliffsnaturalresources.com

-----Message d'origine-----

De : Naber, Adam [<mailto:adam.naber@beumergroup.com>]

Envoyé : 27 septembre 2012 09:17

À : Bouchard, Manon (Lac Bloom)

Cc : Nichol, Terry; Sanders, Lloyd

Objet : RE: Travel-Terry Nichol

Manon,

Please verify that we need to purchase this ticket again and bill it to Cliffs.

If we get terry to montreal, can you get him the rest of the way?

BEUMER Kansas City LLC
Project Construction Manager
Adam Naber
4435 Main Street, Suite 600
Kansas City, MO 64111 . USA
Phone: +1 816 245 7257
Mobile: +1 816 284 9071
E-Mail: ad.na@beumergroup.com
Internet: www.beumergroup.com

Terry Nichols Trip from Wabush to London

Description: Bloom Lake

Project Number (Please enter your 9 digit Project Number.): 611010015

Trip Record Locator: EWHHVU Created on: 09/14/2012 at 5:32 PM

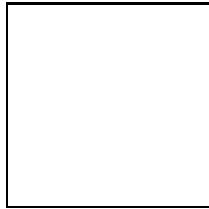
Passengers: Terrence B Nichol.

Airfare must be ticketed by an agent by: 09/15/2012 11:55 PM Eastern

Trip Purpose : Business Trip

Tuesday Sep 18, 2012

Air



Wabush, NL (YWK) to Sept-Iles, PQ (YZV)

Tue Sep 18 Air Canada 8699 *Duration: 53 minutes 1 stop*

Operated by: **Air Canada**

Wabush (YWK):9:45 AM

Confirmation Number:K4DLMR

Sept-Iles (YZV):9:38 AM

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-300

Distance:189 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:08A(Confirmed)

Connecting at Sept-Iles, PQ (YZV) to Dorval, PQ (YUL)

Tue Sep 18 Air Canada 8699 *Duration: 2 hours, 5 minutes 1 stop*

Sept-Iles (YZV):10:05 AM

Confirmation Number:K4DLMR

Dorval (YUL):12:10 PM

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-300

Distance:477 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:08A(Confirmed)

Connecting at Dorval, PQ (YUL) to Toronto, ON (YYZ)

Tue Sep 18 Air Canada 413 *Duration: 1 hour, 15 minutes Nonstop*

Dorval (YUL):1:00 PM

Confirmation Number:K4DLMR

Toronto (YYZ):2:15 PM
Terminal:1

Status:**Confirmed**

Flight Information

Aircraft:Airbus A319

Distance:322 miles

E-Ticket
Cabin:Tango Plus (H)

Seat:20F(Confirmed)

Connecting at Toronto, ON (YYZ) to London, ON (YXU)

Tue Sep
18

Air Canada 7713

Duration: 40
minutes Nonstop

Operated by: **Air Canada**
Toronto (YYZ):3:30 PM
Terminal:1
Confirmation Number:K4DLMR

London (YXU):4:10 PM

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-100
E-Ticket
Cabin:Tango Plus (H)

Distance:82 miles

Seat:09F(Confirmed)

Air

Airfare quoted amount:	\$ 892.00 CAD	\$912.00 USD
Taxes and fees:	\$ 120.50 CAD	\$123.20 USD

Total Estimated Cost:

\$1,035.20 USD

Restrictions

Quote: **AC ONLY/NON-REF/CHGE FEE**

TICKET NOT YET ISSUED. AIRFARE QUOTED IN ITINERARY IS NOT GUARANTEED UNTIL TICKETS ARE ISSUED.

Remarks:

FOR CHANGES AND CANCELLATIONS THAT CANNOT BE
COMPLETED ONLINE PLEASE CALL 800-327-2737
IF CALLING OUTSIDE US/CANADA PLEASE CALL
336-291-0098.

DOMESTIC FLIGHTS - A VALID GOVERNMENT ISSUED PHOTO ID
IS MANDATORY.
PLEASE CHECK IN 90 MINUTES PRIOR TO DEPARTURE.

ALL INTERNATIONAL DESTINATIONS - ADDITIONAL DOCUMENTS
SUCH AS A VISA MAY ALSO BE REQUIRED. PLEASE RECONFIRM
FLIGHTS WITH THE AIRLINE 72 HOURS PRIOR TO DEPARTURE.
PLEASE CHECK IN 2-3 HOURS PRIOR TO DEPARTURE
DEPENDING ON DESTINATION. CHECK WITH OUR OFFICE FOR
COMPLETE INSTRUCTIONS.

TICKETS MAY BE NON-REFUNDABLE, NON-ENDORSABLE
NON-CHANGEABLE AND ONLY VALID ON THE SAME CARRIERS.
CHANGES MAY RESULT IN PENALTIES AND ADDITIONAL FEES.
SOME FARE RESTRICTIONS REQUIRE CHANGES BE MADE
PRIOR TO DEPARTURE DATE AND TIME OR THE TICKET WILL
HAVE NO FUTURE EXCHANGE VALUE.

Itinerary created on 09/14/2012 at 5:32 PM

American Express (MMD)

Oct 2 - Oct 2

Terry Nichols- Trip from London to Wabush

Description: Cliff Visit

Project Number (Please enter your 9 digit Project Number.): 611-01005 Trip Record Locator: MAEMLJ

Created on: 09/28/2012 at 3:15 PM Passengers: Terrence B Nichol.

Airfare must be ticketed by an agent by: 09/29/2012 11:55 PM Eastern

Tuesday Oct 2, 2012

Air

London, ON (YXU) to Ottawa, ON (YOW)

Tue Oct 2

Air Canada 7726

Duration: 1 hour, 21 minutes Nonstop

Operated by: Air Canada

London (YXU): 8:35 AM

Ottawa (YOW): 9:56 AM

Confirmation Number: NHNT7E

Status: Confirmed

Aircraft: DHC8 Dash 8-100

Distance: 315 miles

E-Ticket

Cabin: Tango Plus (H)

Seat: 06F(Confirmed)

Connecting at Ottawa, ON (YOW) to Dorval, PQ (YUL)

Tue Oct 2

Air Canada 8790

Duration: 40 minutes Nonstop

Operated by: Air Canada

Ottawa (YOW): 1:50 PM

Dorval (YUL): 2:30 PM

Confirmation Number: NHNT7E

Status: Confirmed

Aircraft: DHC8 Dash 8-300

Distance: 94 miles

E-Ticket

Cabin: Tango Plus (H)

Seat: 08A(Confirmed)

Connecting at Dorval, PQ (YUL) to Sept-Iles, PQ (YZV)

Tue Oct 2
Air Canada 8698
Duration: 2 hours 1 stop
Operated by: Air Canada
Dorval (YUL): 5:00 PM
Sept-Iles (YZV): 7:00 PM
Confirmation Number: NHNT7E
Status: Confirmed
Aircraft: DHC8 Dash 8-300
Distance: 477 miles
E-Ticket
Cabin: Tango Plus (H)
Seat: 11F(Confirmed)

Connecting at Sept-Iles, PQ (YZV) to Wabush, NL (YWK)

Tue Oct 2
Air Canada 8698
Duration: 50 minutes 1 stop
Sept-Iles (YZV): 7:20 PM
Wabush (YWK): 9:10 PM
Confirmation Number: NHNT7E
Status: Confirmed
Aircraft: DHC8 Dash 8-300
Distance: 189 miles
E-Ticket
Cabin: Tango Plus (H)
Seat: 11F(Confirmed)

Air

Airfare quoted amount: \$ 892.00 CAD \$ 912.00 USD
Taxes and fees: \$ 132.82 CAD \$ 135.80 USD
Total Estimated Cost: \$ 1,047.80 USD

Restrictions

Quote: AC ONLY/NON-REF/CHGE FEE

**TICKET NOT YET ISSUED. AIRFARE QUOTED IN ITINERARY IS NOT
GUARANTEED UNTIL TICKETS ARE ISSUED.**

Remarks:

FOR CHANGES AND CANCELLATIONS THAT CANNOT BE COMPLETED ONLINE PLEASE CALL 800-327-2737
IF CALLING OUTSIDE US/CANADA PLEASE CALL 336-291-0098.

DOMESTIC FLIGHTS - A VALID GOVERNMENT ISSUED PHOTO ID IS MANDATORY.

PLEASE CHECK IN 90 MINUTES PRIOR TO DEPARTURE.

ALL INTERNATIONAL DESTINATIONS - ADDITIONAL DOCUMENTS SUCH AS A VISA MAY ALSO BE
REQUIRED. PLEASE RECONFIRM FLIGHTS WITH THE AIRLINE 72 HOURS PRIOR TO DEPARTURE. PLEASE
CHECK IN 2-3 HOURS PRIOR TO DEPARTURE DEPENDING ON DESTINATION. CHECK WITH OUR OFFICE
FOR COMPLETE INSTRUCTIONS.

TICKETS MAY BE NON-REFUNDABLE, NON-ENDORSABLE NON-CHANGEABLE AND ONLY VALID ON THE
SAME CARRIERS. CHANGES MAY RESULT IN PENALTIES AND ADDITIONAL FEES. SOME FARE
RESTRICTIONS REQUIRE CHANGES BE MADE PRIOR TO DEPARTURE DATE AND TIME OR THE TICKET WILL
HAVE NO FUTURE EXCHANGE VALUE.

Itinerary created on 09/28/2012 at 3:15 PM



Travel Arrangements for TERRENCE B NICHOL

Record Locator YOMTFF
Trip ID 12097225339

BEUMER CORPORATION
 BEUMER CORPORATION US
 TERRENCE NICHOL/816-245-7271
 4435 MAIN STREET SUITE 750
 KANSAS CITY, MO 64111

Agent ID: WS

15100 NW 67th Ave - Suite 300 - Miami Lakes, FL
 33014
 Phone: See Itinerary Detail

Invoice Details

Ticket Information

Airline Code	014	Ticket Date	10/5/2012
Ticket Number	7138053935	Invoice	0595846
Check Digit	5	Electronic	Yes
Billing Code	000000000		

Charges

Ticket Base Fare	1,246.00
Ticket Tax Fare	183.90
Total (USD) Ticket Amount	1,429.90

Transaction Fee 7.00
 Airfare charged to American Express
 Billing Account: AX XXXXXXXXXXXX1073

Total 1,436.90

Travel Details

Tuesday October 16, 2012

Flight Information

Airline	AIR CANADA	Estimated time	2 hours 58 minutes
Flight	8699	Distance	602 Miles
	OPERATED BY AIR CANADA EXPRESS - JAZZ		
Origin	Wabush NF, CANADA	Meal Service	No Meal Service
Destination	Montreal Trudeau , CANADA	Plane	Dash 8 Turboprop
Departing	9:45 AM		
Arriving	12:10 PM		
	Stop City: Sept Iles QC, CANADA		
Seat	9A		
Class	Economy		

Flight Information

Airline	AIR CANADA	Estimated time	1 hour 15 minutes
Flight	413	Distance	315 Miles
Origin	Montreal Trudeau , CANADA	Meal Service	No Meal Service
Destination	Toronto ON, CANADA	Plane	Airbus A320
Departing	1:00 PM		
Arriving	2:15 PM		
Arrival Terminal	TERMINAL 1		
Seat	20A		
Class	Economy		

Flight Information

Airline	AIR CANADA	Estimated time	0 hours 42 minutes
Flight	7717	Distance	89 Miles
	OPERATED BY AIR CANADA EXPRESS - JAZZ		
Origin	Toronto ON, CANADA	Meal Service	No Meal Service
Destination	London ON, CANADA	Plane	Dash 8-400 Turboprop
Departing	4:30 PM		
Arriving	5:12 PM		
Departure Terminal	TERMINAL 1		
Seat	18F		
Class	Economy		

Travel Details

Tuesday October 30, 2012

Flight Information

Airline	AIR CANADA	Estimated time	1 hour 21 minutes
Flight	7726	Distance	315 Miles
	OPERATED BY AIR CANADA EXPRESS - JAZZ		
Origin	London ON, CANADA	Meal Service	No Meal Service
Destination	Ottawa ON, CANADA	Plane	Dash 8 Turboprop
Departing	7:35 AM		
Arriving	8:56 AM		
Seat	9A		
Class	Economy		

Flight Information

Airline	AIR CANADA	Estimated time	1 hour 6 minutes
Flight	8746	Distance	229 Miles
	OPERATED BY AIR CANADA EXPRESS - JAZZ		
Origin	Ottawa ON, CANADA	Meal Service	No Meal Service
Destination	Quebec QC, CANADA	Plane	Dash 8 Turboprop
Departing	9:30 AM		
Arriving	10:36 AM		
Seat	9F		
Class	Economy		

Flight Information

Airline	AIR CANADA	Estimated time	2 hours 21 minutes
Flight	8712	Distance	470 Miles
	OPERATED BY AIR CANADA EXPRESS - JAZZ		
Origin	Quebec QC, CANADA	Meal Service	No Meal Service
Destination	Wabush NF, CANADA	Plane	Dash 8 Turboprop
Departing	1:15 PM		
Arriving	5:00 PM		
	Stop City: Sept Iles QC, CANADA		
Seat	9F		
Class	Economy		

Travel Details

Sunday April 28, 2013

AMERICAN EXPRESS INTERACTIVE

Airline Record Locators

Airline Reference	Carrier
NP7FGM	AIR CANADA

Additional Messages

FOR CHANGES AND CANCELLATIONS THAT CANNOT BE
COMPLETED ONLINE PLEASE CALL 800-327-2737
IF CALLING OUTSIDE US/CANADA PLEASE CALL
336-291-0098.

DOMESTIC FLIGHTS - A VALID GOVERNMENT ISSUED PHOTO ID
IS MANDATORY.
PLEASE CHECK IN 90 MINUTES PRIOR TO DEPARTURE.

ALL INTERNATIONAL DESTINATIONS - ADDITIONAL DOCUMENTS
SUCH AS A VISA MAY ALSO BE REQUIRED. PLEASE RECONFIRM
FLIGHTS WITH THE AIRLINE 72 HOURS PRIOR TO DEPARTURE.
PLEASE CHECK IN 2-3 HOURS PRIOR TO DEPARTURE
DEPENDING ON DESTINATION. CHECK WITH OUR OFFICE FOR
COMPLETE INSTRUCTIONS.

TICKETS MAY BE NON-REFUNDABLE, NON-ENDORSABLE
NON-CHANGEABLE AND ONLY VALID ON THE SAME CARRIERS.
CHANGES MAY RESULT IN PENALTIES AND ADDITIONAL FEES.
SOME FARE RESTRICTIONS REQUIRE CHANGES BE MADE
PRIOR TO DEPARTURE DATE AND TIME OR THE TICKET WILL
HAVE NO FUTURE EXCHANGE VALUE.
INTERACTIVE BUSINESS TRAVEL
TRIP NAME-TRIP FROM WABUSH TO LONDON
THIS TICKET IS NONREFUNDABLE. CHANGES OR CANCELLATIONS
MUST BE MADE PRIOR TO SCHEDULED FLIGHT DEPARTURE
ALL CHANGES MUST BE MADE ON SAME CARRIER AND WILL BE
SUBJECT TO SERVICE FEE AND DIFFERENCE IN AIRFARE
ONLINE TICKET FEE 7.00

ADVISORY TSA requires all reservations with any US city segment or flying over the US or booked on a US based carrier to include full name, date of birth, and gender. Failure to provide this information will result in your reservation being cancelled.

Liability Statement. American Express Travel Related Services Company, Inc. and its parent, subsidiaries, affiliates and representatives (collectively, "Amex") act as an agent for travel suppliers and you understand and agree that Amex shall not be liable for any loss, injury, expense or damage to persons or property resulting, directly or indirectly, from (1) the acts of omissions of travel suppliers, including but not limited to delays, overbookings, cancellation of services, cessation of operations, accidents or failures of equipment, or changes in fares, itineraries or schedules; or (2) acts of God, fires, earthquakes, floods, climatic aberrations, acts of governmental authorities, civil unrest, strikes, riots, theft, disease, accidents or failures related to the public internet, telecommunications lines or facilities, or third party technology systems, or any other cause beyond the control of Amex.

For customers purchasing travel from within the state of California: Our California State Seller of Travel Registration Number is: 1022318-10. Upon cancellation of the transportation or travel services, where you, the customer, are not at fault and have not canceled in violation of the terms and conditions, if any, of the contract for transportation or travel services, all sums paid to American Express for services not received by you will be promptly refunded to you unless you otherwise advise American Express in writing, after cancellation. American Express is a participant in the California Travel Consumer Restitution Fund (the "Fund"). If you, the passenger, were located in California at the time of your purchase, you may request reimbursement from the Fund if you are owed a refund of more than \$50 for transportation or travel services which was not refunded in a timely manner by the seller of travel who was registered and participating in the Fund at the time of sale. The maximum amount which may be paid by the Fund to any one passenger is the total amount paid on behalf of the passenger to the seller of travel, not to exceed \$15,000. A claim must be submitted within six months after the scheduled completion date of the travel. A claim must include sufficient information and documentation to prove your claim and a \$35 processing fee. You must agree to waive your right to other civil remedies against a registered participating seller of travel for matters arising out of a sale for which you file a claim against the Fund. You may request a claim form by writing to: Travel Consumer Restitution Corporation, P.O. Box 6001, Larkspur, CA 94977-6001; or by faxing a request to: (415) 927-7698. Note: Sales transactions with customers located outside of California are not covered by the Fund and such customers are not eligible to file a claim against the Fund.

For customers purchasing travel in the state of Oregon: Transportation, lodging, meals, entertainment and all other services are sold to you to you either on a refundable or non-refundable basis. If all or part of the transportation or services are canceled by any person, we shall, within 2 working days of learning of the cancellation, request on your behalf that the service suppliers or wholesalers provide a refund of all sums sent them on your behalf. We shall send any refund received from the service suppliers or wholesalers to you within 2 working days after the refund received by us has cleared the bank.

For customers purchasing travel in the state of Washington: Our Washington State Seller of Travel Registration Number is: UBI#600469694. If transportation or other services are canceled by the seller of travel, all sums paid to the seller of travel for services not performed in accordance with the contract between the seller of travel and the purchaser will be refunded within thirty days of receiving the funds from the vendor with whom the services were arranged, or if the funds were not sent to the vendor, the funds shall be returned within fourteen days after cancellation by the seller of travel to the purchaser unless the purchaser requests the seller of travel to apply the money to another travel product and/or date.

Cancellation and change penalties may apply to these arrangements. Details will be provided upon request.

Intermediary Disclosure. Amex helps manage your company's travel expenses and assists you in finding travel suppliers and making arrangements that meet your individual needs. We consider various factors in identifying travel suppliers and recommending specific itineraries. In this role, we are acting as an independent third party and not as a fiduciary. We want you to be aware that certain suppliers pay us commissions as well as incentives for reaching sales targets or other goals, and from time to time may also provide incentives to our travel counselors. Certain suppliers may also provide compensation to us for various marketing and administrative services that we perform for them, such as granting them access to our marketing channels, participating in marketing programs and supporting technology initiatives. In addition, we receive compensation from suppliers when customers use the American Express® Card or other American Express products to pay for supplier products and services. From time to time we may enter into other business relationships with suppliers and these arrangements, including levels and types of compensation and incentives we receive, are subject to change. In identifying suppliers and recommending itineraries, we may consider a number of factors, including supplier availability, your preferences, and any agreements we have to book travel in accordance with your company's travel policy. The relationships we have with suppliers may also influence the suppliers we identify and the itineraries we recommend.

Rhode Island Registration Number: ML#1192; Nevada Seller of Travel Registration No.: NV#2001-0126; Iowa: TA# 002 Registered Iowa Travel Agency

Itinerary / Receipt

Your booking is confirmed. Thank you for choosing Air Canada.
Please bring your itinerary-receipt to the airport.

Main Contact Information

Booking reference: **NP7FGM**

Name: **Mr Terrenceb Nichol**
 E-mail: **TERRY.NICHOL@BEUMERGROUP.COM**
 Form of payment: **CCXXXXXXXXXXXX1073/0117**
CC CXXXXXXXXXXXX5552

Customer Care

Air Canada Reservations
 1-888-247-2262
 Air Canada Flight Information
 1-888-422-7533

[International Reservations](#)

Alert me of flight changes
[Flight notification](#)

Electronic Ticketing confirmed.
This is your official itinerary/receipt.

Flight Itinerary

Flight	From	To	Aircraft	Booking class	Status
AC7714	London (ON) (YXU)	Toronto Pearson (YYZ)	DH4	B	Confirmed
<i>Operated by:</i>	Thu 25-Oct 2012	Thu 25-Oct 2012			
<i>Air Canada Express-Jazz</i>	13:00	13:35 - TERMINAL T1			
Seat number(s) requested: 3A					
AC416	Toronto Pearson (YYZ)	Montreal Trudeau (YUL)	320	B	Confirmed
	Thu 25-Oct 2012 15:00 - TERMINAL T1	Thu 25-Oct 2012 16:10			
Seat number(s) requested: 19A					
AC8964	Montreal Trudeau (YUL)	Baie Comeau (YBC)	DH1	B	Confirmed
<i>Operated by:</i>	Thu 25-Oct 2012	Thu 25-Oct 2012			
<i>Air Canada Express-Jazz</i>	17:05	19:15			
Seat number(s) requested: 2A					

Passenger Information

	Passenger 1	
Name: Mr Terrenceb Nichol	Ticket number: 014 2113 774627	
Frequent Flyer Pgm: Air Canada Aeroplan	Program number: 0165352576	

Fare Summary

Passenger: 1 Ticket number 014 2113 774627

Date of issue	24-Oct 2012
Fare Amount in Canadian dollars: <i>(including navigational & other charges)</i>	1,680.00
Taxes, Fees & Charges	
Canada Harmonized Sales Tax (HST #10009-2287) (RC)	58.60
Combined Taxes *see fare calculation below (XT)	99.71
 Total Fare in US dollars:	 605.31A
 Options	
Baggage fee in Canadian dollars	20.00
Canada Harmonized Sales Tax (HST #10009-2287) (RC)	2.60
Change fee in US dollars	50.00
Canada Harmonized Sales Tax (HST #10009-2287) (RC)	6.50
Ticket particularities: AC ONLY	

** Fare calculation:*
 25OCT12YWK AC X/YMQ Q18.00AC X/YTO AC YXU R594.00AC X/YTO AC
 X/YMQ AC YBC Q18.00R1050.00CAD1680.00 END ROE1.00ZP
 YXUYZYULYYY XT3.78SQ80.73US15.20ZP PD164.50RC19.40SQ
Canadian tax registration numbers:
 XG Canada Goods and Service Tax (GST) #10009-2287
 RC Canada Harmonized Sales Tax (HST) #10009-2287
 XQ Quebec Sales Tax (QST) #1000-043-172

Additional Information:

- FORM OF PAYMENT - PASSENGER 1 DEBIT CARD
- -AUTH*075042/16OCT2012
- AIRPORT BAGGAGE FEE
- NUMBER OF FEES-1:2ND BAG
- FEE AMOUNT WITH TAXES \$20.00CAD - 2.60RC
- GRAND TOTAL \$22.60CAD/16OCT2012/JF
- 1.TERRENCEB NICHOL /TKT NBR - 0147138053935

Fare Rules

- Voluntary changes to your itinerary may require the payment of additional fees and fare upgrades.
- If you are travelling on a non-refundable ticket, Air Canada will be unable to make exceptions in the event of an unexpected trip cancellation or medical emergency. We recommend the purchase of travel insurance.
- Tickets are non transferable and name changes are not permitted.
- Advance seat assignments are not guaranteed and may be changed without notice. If your pre-assigned seat is unavailable, we will try to accomodate you in a comparable seat in the same class of service and will refund any applicable refundable fees.

Important Information

This is your E-ticket itinerary/receipt. Keep this document for your travel. Your flight coupons are stored in our reservation system. The Conditions of Contract and other legal notices are provided with this itinerary/receipt.

Please review this itinerary/receipt and should you have any questions, please call 1-888-247-2262 within 24 hours of receipt.

Travel Documents

Air Canada is required by federal government regulations to check identification at the departure gate for all passengers who appear to be 18 years of age or older. The name on the identification must match the name used on the reservation or ticket. The passenger must present: one (1) piece of government-issued ID with photo or two (2) pieces of government-issued ID without photo. For air travel between Canada and the United States, all passengers including Canadian and U.S. citizens, are required to present a valid passport or other valid travel document such as a Nexus card. Nexus members are required to carry appropriate immigration and identity documents in addition to their Nexus card. In addition, passengers must present this Itinerary/receipt to immigration authorities upon request. For air travel to a foreign country, passengers must ensure that they have all necessary travel documents such as a passport or visa, as directed by embassies and consulates. All passengers are advised to view the [Travel documentation](#) page for important information on documentation required for travel.

YOU CANNOT TRAVEL IF YOU DO NOT HAVE ALL REQUIRED TRAVEL DOCUMENTS, SUCH AS PASSPORT AND VISA (if applicable).

Secure Flight

For travel to, from or via the United States you are required by the Transportation Security Administration (TSA) to provide full passenger name (as it appears on your travel document), date of birth and gender for each traveller at least 72 hours prior to departure, or at time of booking if you book your flight within 72 hours of departure.

Flight Confirmation

Although reconfirmation of flights is not required, we strongly recommend that you check your [flight status](#) online at aircanada.com or by calling our flight information system at 1-888-422-7533 prior to your departure.

Travel Insurance

RBC Travel Insurance Company offers Canadian travellers an easy way to purchase travel insurance. Whether you're traveling by yourself or with your family, it's important to get protection against the high cost of medical expenses, trip cancellation or other unforeseen circumstances. Residents of Canada can purchase travel insurance from RBC Travel Insurance Company via www.aircanada.com/insurance or by calling 1-866-530-6021. To make sure you get the best possible protection, it's best to purchase insurance when you book your trip.

American travellers - if you are a resident of the United States and are interested in purchasing travel insurance, please call 1-800-835-7566 to be referred to an insurance specialist who can help you purchase the proper protection.

Comments, Compliments and Complaints

Would you like to comment on a past travel experience? Your comments, compliments and complaints will help us improve the services we offer. Send us an e-mail (aircanada.com/customerrelations) or write to us at: Air Canada - Customer Relations, PO Box 64239, RPO Thorncliffe, Calgary, AB, Canada T2K 6J7.

Information and Services

Visit our [Information and Services](#) section at aircanada.com to find all the information you'll need to plan your trip.

Carriage of pets

Please read important information regarding carriage of pets in the [Travelling with your Pet](#) section.

Tarmac Delay Contingency Plan

In the event that you are on a flight operated by one of Air Canada's [codeshare partners](#), the tarmac delay contingency plan of the carrier operating your flight will apply in the event of a tarmac delay.

Check-in and Boarding Times

You must obtain your boarding pass and check in any baggage by the check-in deadline shown below.

Additionally, you must be available for boarding at the boarding gate by the boarding gate deadline shown below. Failure to respect check-in and boarding gate deadlines may result in the reassignment of any pre-reserved seats, the cancellation of reservations, and/or ineligibility for denied boarding compensation.

Travel	Recommended Check-in Time	Check-in Deadline	Boarding Gate Deadline
Within Canada	60 min.	30 min.	20 min.
To/From the US	90 min.	60 min.	20 min.
International (incl. Mexico & Caribbean)	120 min.	60 min.	55 min.
Exceptions Due to local conditions, some airports suggest longer recommended check-in times. Please take note of specific check-in and boarding gate deadlines for flights departing from those locations.			
Flights departing from:	Recommended Check-in Time	Check-in Deadline	Boarding Gate Deadline
Tel Aviv	180 min.	75 min.	60 min.

Baggage Policy for Air Canada Flights Only

Carry-On Baggage Allowance

Oversized carry-on bags are not permitted on our aircraft, and may cause flight delays for all passengers. Please ensure your carry-on bags are within the maximum allowed size as indicated below; they are required to fit in the double-size verification device at check-in and boarding gates.

You may carry onboard items which fall within the 2 piece carry-on allowance: one (1) carry-on bag or suitcase (wheels and handles included in the size) and one (1) personal article like a briefcase, laptop computer, diaper bag, camera case, cartons or other similar item. Learn more about [Carry-on Baggage](#) restrictions.

	Maximum Size	Maximum Weight
1 standard article	23cm x 40cm x 55cm 9" x 15.5" x 21.5"	10 kg 22 lbs
1 personal article	16cm x 33cm x 43cm 6" x 13" x 17"	10 kg 22 lbs

Checked Baggage Allowance

When you travel on Air Canada and Air Canada Express, your complimentary baggage allowance is determined by your fare, destination, date of travel and frequent flyer status.

A bag is defined:

- For customers traveling in Economy Class:
Maximum weight per bag: 23kg (50lb). Maximum linear dimension: 158cm (62in)
 - For customers traveling in Executive Class, or Air Canada Super Elite and Elite customers:
Maximum weight per bag: 32kg (70lb). Maximum linear dimension: 158cm (62in)
- (Linear dimension is calculated by adding together it's greatest outside height, width and length - wheels and handles included.)

It is recommended that documents and medication be packed in your carry-on baggage. All prescription medications must be properly labelled with the names of the patient, the medication and the issuing medical office or pharmacy.

For safety reasons, dangerous goods must not be packed in checked or carry-on baggage, except as specifically permitted.

Dangerous goods include, but are not limited to: compressed gases, corrosives, explosives, flammable liquids and solids, radioactive materials, oxidizing materials, poisons, infectious substances, and briefcases with installed alarm devices. For security reasons, other restrictions may apply. Please refer to [Security Requirements and Dangerous Goods](#) page for more information.

Between Canada and the U.S.

- including Hawaii,
- excluding Puerto Rico (see 'Caribbean')

	Economy Class	Executive Class
Regular Baggage Allowance	1st bag: \$25* CAD (per direction) 2nd bag: \$35* CAD (per direction)	2 Complimentary bags
Air Canada Super Elite & Elite	3 Complimentary bags	3 Complimentary bags
Air Canada Prestige	2 Complimentary bags	3 Complimentary bags

	Economy Class	Executive Class
Star Alliance Gold	3 Complimentary bags	3 Complimentary bags
Star Alliance Silver	1 Complimentary bag Check a 2nd bag for \$35* CAD (per direction)	2 Complimentary bags
Infants** (0-2 years) NOT occupying a seat (on lap)	1st bag: \$25* CAD (per direction) 2nd bag: \$35* CAD (per direction)	1st bag: \$25* CAD (per direction) 2nd bag: \$35* CAD (per direction)
Infants/children** (0 to 12 years) occupying a seat (with own ticket)	1st bag: \$25* CAD (per direction) 2nd bag: \$35* CAD (per direction)	2 Complimentary bags

* Applicable taxes will be added at the time of payment (from \$0 to \$7 CAD) per bag

** For more information, please read the section 'Infants and children' at: [Air Canada's baggage policy](#)

Within Canada or between Canada and Mexico / Costa Rica / the Caribbean / Bermuda

- includes Puerto Rico, Haiti and Jamaica
- includes travel between the U.S. and Mexico / Costa Rica / the Caribbean / Bermuda

	Economy Class	Executive Class
Regular Baggage Allowance	1 Complimentary bag Check a 2nd bag for only \$20* CAD (per direction)	2 Complimentary bags
Air Canada Super Elite & Elite	3 Complimentary bags	3 Complimentary bags
Air Canada Prestige	2 Complimentary bags	3 Complimentary bags
Star Alliance Gold	3 Complimentary bags	3 Complimentary bags
Star Alliance Silver	1 Complimentary bag Check a 2nd bag for \$20* CAD (per direction)	2 Complimentary bags
Infants** (0-2 years) NOT occupying a seat (on lap)	1 Complimentary bag Check a 2nd bag for \$20* CAD (per direction)	1 Complimentary bag Check a 2nd bag for \$20* CAD (per direction)
Infants/children** (0 to 12 years) occupying a seat (with own ticket)	1 Complimentary bag Check a 2nd bag for \$20* CAD (per direction)	2 Complimentary bags

* Applicable taxes will be added at the time of payment (from \$0 to \$7 CAD) per bag

** For more information, please read the section 'Infants and children' at: [Air Canada's baggage policy](#)

Embargoes: Certain restrictions apply for travel to Mexico City (Mexico) as well as Kingston and Montego Bay (Jamaica). For details, please visit [Air Canada's baggage policy](#) and refer to the section 'Between Canada and Mexico / Costa Rica / the Caribbean / Bermuda'

All other itineraries

Exceptions	
All travel to/from Japan or Brazil	2 Complimentary bags at all times For Brazil only, maximum weight per piece is 32kg (70lb)
Flights AC092 and AC093 between Santiago (Chile) and Buenos Aires (Argentina)	Check a 2nd bag for only \$20* CAD (per direction).
All travel to/from Venezuela	The 2nd bag fee of \$70* CAD (per direction) applies to tickets issued on or after October 27, 2011.
All travel to/from Africa (except Egypt, Malawi, Morocco and Zambia)	For travel on or after December 15, 2011, check 2 Complimentary bags
All travel between Canada and India, Saudi Arabia, Turkey, Qatar, United Arab Emirates	For tickets issued on/after June 8, 2012, check 2 complimentary bags.

U.S. to/from the United Kingdom	For tickets issued on/after June 15, 2012, check a 2nd bag for \$100*CAD (per direction)
Canada to/from the United Kingdom	Check a 2nd bag for \$70* CAD (per direction)
Canada to/from Iran	For tickets issues on/after October 6, 2012, check 2 complimentary bags.

	Economy Class	Executive Class
Regular Baggage Allowance	For travel from Canada or the US to Europe (except the United Kingdom) to Middle East, Egypt, Malawi, Morocco and Zambia 1 Complimentary bag Check a 2nd bag for \$100* CAD (per direction)	2 Complimentary bags
See exceptions table above	----- For tickets issued prior to June 1st, 2012 1 Complimentary bag Check a 2nd bag for \$70* CAD (per direction)	
	----- All other itineraries 1 Complimentary bag Check a 2nd bag for \$70* CAD (per direction)	
Air Canada Super Elite & Elite	3 Complimentary bags	3 Complimentary bags
Air Canada Prestige	2 Complimentary bags	3 Complimentary bags
Star Alliance Gold	3 Complimentary bags	3 Complimentary bags
Star Alliance Silver	1 Complimentary bag Check a 2nd bag for \$70* CAD (per direction)	2 Complimentary bags
Infants** (0-2 years) NOT occupying a seat (on lap)	1 bag Check a 2nd bag for \$70* CAD (per direction)	1 bag Check a 2nd bag for \$70* CAD (per direction)
Infants/children** (0 to 12 years) occupying a seat (with own ticket)	1 bag Check a 2nd bag for \$70* CAD (per direction)	2 bags

* Applicable taxes will be added at the time of payment (from \$0 to \$14 CAD) per bag

** For more information, please read the section 'Infants and children' at: [Air Canada's baggage policy](#)

Additional checked baggage allowance

If your baggage exceeds the free allowance (in number, size, and/or weight), additional checked baggage charges will apply. Please refer to [Air Canada's Additional Checked Baggage Policy](#) to view the additional baggage allowance.

Codeshare Flights and Other Airlines

Passengers who are holding itineraries including flights operated by other airlines or codeshare flights may be subject to the baggage* rules and fees of the other airline which may be different from Air Canada's baggage policy.

For specific terms and conditions of Air Canada [codeshare](#) and interline partners baggage rules, visit the carrier's website.

*checked baggage and carry-on baggage

NOTICE - SOLD SUBJECT TO TARIFF REGULATIONS

CONDITIONS OF CONTRACT AND OTHER IMPORTANT NOTICES

PASSENGERS ON A JOURNEY INVOLVING AN ULTIMATE DESTINATION OR A STOP IN A COUNTRY OTHER THAN THE COUNTRY OF DEPARTURE ARE ADVISED THAT INTERNATIONAL TREATIES KNOWN AS THE MONTREAL CONVENTION, OR ITS PREDECESSOR, THE WARSAW CONVENTION, INCLUDING ITS AMENDMENTS (THE WARSAW CONVENTION SYSTEM), MAY APPLY TO THE ENTIRE JOURNEY, INCLUDING ANY PORTION THEREOF WITHIN A COUNTRY. FOR SUCH PASSENGERS, THE APPLICABLE TREATY, INCLUDING SPECIAL CONTRACTS OF CARRIAGE EMBODIED IN ANY APPLICABLE TARIFFS, GOVERNS AND MAY LIMIT THE LIABILITY OF THE CARRIER.

NOTICE of Liability Limitations

The Montreal Convention or the Warsaw Convention system may be applicable to your journey and these Conventions govern and may limit the liability of air carriers for death or bodily injury, for loss of or damage to baggage, and for delay.

Where the Montreal Conventions applies, the limits of liability are as follows:

1. There are no financial limits in respect of death or bodily injury.
2. In respect of destruction, loss of, or damage or delay to baggage, 1,131 Special Drawing Rights (approximately EUR 1,357; US \$1,663) per passenger in most cases.
3. For damage occasioned by delay to your journey, 4,694 Special Drawing Rights (approximately EUR 5,655; US \$6,786) per passenger in most cases.

Where the Warsaw Convention system applies, the following limits of liability may apply:

1. 16,600 Special Drawing Rights (approximately EUR 20,000; US \$20,000) in respect of death or bodily injury if the Hague Protocol to the Convention applies, or 8,300 Special Drawing Rights (approximately EUR 10,000; US \$10,000) if only the Warsaw Convention applies. Many carriers have voluntarily waived these limits in their entirety, and US regulations require that, for journeys to, from or with an agreed stopping place in the US, the limit may not be less than US \$75,000.
2. 17 Special Drawing Rights (approximately EUR 20; US \$20) per kg for loss of or damage or delay to checked baggage, and 332 Special Drawing Rights (approximately EUR 400; US \$400) for unchecked baggage.
3. The carrier may also be liable for damage occasioned by delay.

Where neither the Montreal Convention nor the Warsaw Convention system applies: For travel wholly between points in Canada, the liability limit is \$1,500 CAD per passenger.

Further information may be obtained from the carrier as to the limits applicable to your journey. If your journey involves carriage by different carriers, you should contact each carrier for information on the applicable limits of liability.

Regardless of which Convention applies to your journey, you may benefit from a higher limit of liability for loss of, damage or delay to baggage by making at check-in a special declaration of the value of your baggage and paying any supplementary fee that may apply. Alternatively, if the value of your baggage exceeds the applicable limit of liability, you should fully insure it before you travel.

Time limit for action: Any action in court to claim damages must be brought within two years from the date of arrival of the aircraft, or from the date on which the aircraft ought to have arrived. Baggage claims: Written notice to the carrier must be made within 7 days of the receipt of checked baggage in the case of damage, and, in the case of delay, within 21 days from the date on which it was placed at the disposal of the passenger.

Notice of Contract Terms Incorporated by Reference

1. Your contract of carriage with the carrier that provides you with carriage by air, whether international, domestic or a domestic portion of an international journey is subject to this notice; to any notice or receipt of the carrier; and to the carrier's individual terms and conditions (Conditions), related rules, regulations and policies (Regulations) and any applicable tariffs.
2. If your carriage is by more than one carrier, different Conditions, Regulations and any applicable tariffs may apply for each carrier.
3. The Conditions, Regulations and any applicable tariffs of each carrier are, by this notice, incorporated by reference into and made part of your contract of carriage.
4. The Conditions may include, but are not restricted to:
 - Conditions and limits on the carrier's liability for the bodily injury or death of passengers.

- Conditions and limits on the carrier's liability for the loss of, damage to or delay of goods and baggage, including fragile or perishable goods.
 - Rules for declaring a higher value for baggage and for paying any supplementary fee that may apply.
 - Application of the carrier's Conditions and limits of liability to the acts of the carrier's agents, servants and representatives, including any person providing either equipment or services to the carrier.
 - Claims restrictions, including time limits by which passengers must file claims or bring actions against the carrier.
 - Rules about reconfirmations or reservations; check in times; the use, duration and validity of air transportation services; and the carrier's right to refuse carriage.
 - Rights of the carrier and limits on the carrier's liability for delay or failure to perform a service, including schedule changes, substitution of alternative carriers or aircraft and re-routing, and, when required by applicable law, the obligation of the carrier to notify passengers of the identity of the operating carrier or substituted aircraft.
 - Rights of the carrier to refuse carriage to passengers who fail to comply with applicable laws or who fail to present all necessary travel documents.
5. You can obtain more information about your contract of carriage, and find out how to request a copy, at places where transportation on the carrier is sold. Many carriers also have this information on their websites. When required by applicable law, you have the right to inspect the full text of your contract of carriage at the carrier's airport and sales offices, and upon request, to receive a copy by mail or other delivery service from each carrier free of charge.
6. If a carrier sells air transportation services or checks baggage specifying carriage with another carrier, it does so only as agent for the other carrier.

GOVERNMENTS MAY REQUIRE YOUR CARRIER TO PROVIDE INFORMATION ON OR PERMIT ACCESS TO PASSENGER DATA.

OVERBOOKING NOTICE

Airline flights may be overbooked, and there is a slight chance that a seat will not be available on a flight for which a person has a confirmed reservation. If the flight is overbooked, no one will be denied a seat until airline personnel first ask for volunteers willing to give up their reservation in exchange for a payment of the airline's choosing. If there are not enough volunteers, the airline will deny boarding to other persons in accordance with its particular boarding priority. With few exceptions, persons denied boarding involuntarily are entitled to compensation. The complete rules for the payment of compensation and boarding priorities are available at airport ticket counters and boarding locations.



GST/HST 888850179RT0001

RA # 164758182

Bill Ref# 15016746344

Renter Name TERRANCE NICHOL
55424 LAKESHORE RD TBD
PORT BURWELL

ON NOV 1TU

Rental Location
BAIE-COMEAU AIRPORT
BAIE COMEAU AIRPORT
BAIE COMEAU

QC GSC 1C6

25-OCT-2012 07:09 PM
Phone (418)589 7601

AMERICAN EXPRESS MID MARKET PROGRAM
Contract ID

Charges

No Unit Price/Unit

Amount

Return Location
BAIE-COMEAU AIRPORT

02-NOV-2012 07:17 AM

Vehicle # CN260003
Model AVENGER
Class Driven SCAR
Class Charge TCR
License# FCS4787
State/Province QUEBEC
M/Kms Driven 156
M/Kms Out 19229
M/Kms In 19385

TIME & DISTANCE
EXTRA - TIME & DISTANCE 1 Weeks 294.00
FREE MILES/RM - TIME & DISTANCE 1 Days 65.33
EXTRA FREE MILES/RM - TIME & DIST 600 M/Kms 0.00
DISCOUNT - TIME & DIST 133 M/Kms 0.00
REFUELING SERVICE CHARGE 20 Litre 359.33
REGIONAL TIRE RECOV FEE 2.82/DAY 8 Days 2.05
PRIME LOCATION CHARGE 8.70 PCT 8 Days 2.82
VEHICLE LICENSE FEE 1.28/DAY 8 Days 352.60
QUEBEC SALES TAX @9.500 % 445.39
TFS GST @5.000 % 424.18

Rate Info

Messages

* Taxable Items
Subject to Audit

Total Charges

CAD 487.70

Payments
Master Card 5552 362.88
AUTH: 015798 25-OCT-2012
Master Card 5552 487.70
AUTH: 015748 02-NOV-2012

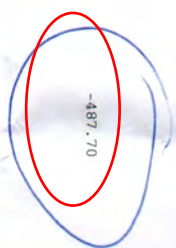
Payment

-487.70

Customer Service Number 1-800-468-3334

Amount Due

CAD -0.00



Terry Nichols-Trip from Baie Comeau to London

Description: Bloom-Lake

Project Number (Please enter your 9 digit Project Number.): 611010019

Trip Record Locator: BCQZML Created on: 12/07/2012 at 4:11 PM

Passengers: Terrence B Nichol.

Airfare must be ticketed by an agent by: 12/07/2012 11:55 PM Eastern

Wednesday Dec 12, 2012

Air



Baie Comeau, PQ (YBC) to Mont-Joli, PQ (YYY)

Wed Dec 12 Air Canada 8962 *Duration: 19 minutes 1 stop*

Operated by: **Air Canada**

Baie Comeau (YBC):10:35 AM

Confirmation Number:MSGJQI

Mont-Joli (YYY):10:54 AM

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-100

Distance:42 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:00(Requested)

Connecting at Mont-Joli, PQ (YYY) to Dorval, PQ (YUL)

Wed Dec 12 Air Canada 8962 *Duration: 1 hour, 36 minutes 1 stop*

Mont-Joli (YYY):11:15 AM

Confirmation Number:MSGJQI

Dorval (YUL):12:51 PM

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-100

Distance:340 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:00(Requested)

Connecting at Dorval, PQ (YUL) to Toronto, ON (YYZ)

Wed Dec 12 Air Canada 415 *Duration: 1 hour, 23 minutes Nonstop*

Dorval (YUL):2:00 PM

Confirmation Number:MSGJQI

Toronto (YYZ):3:23 PM
Terminal:1

Status:**Confirmed**

Flight Information

Aircraft:Airbus A320

Distance:322 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:00(Requested)

Connecting at Toronto, ON (YYZ) to London, ON (YXU)

Wed Dec
12

Air Canada 7715

Duration: 46
minutes Nonstop

Operated by: **Air Canada**

Toronto (YYZ):4:20 PM
Terminal:1

London (YXU):5:06 PM

Confirmation Number:MSGJQI

Status:**Confirmed**

Flight Information

Aircraft:DHC8 Dash 8-400

Distance:82 miles

E-Ticket

Cabin:Tango Plus (H)

Seat:00(Requested)

Air

Airfare quoted amount:

\$ 978.00 CAD

\$983.00 USD

Taxes and fees:

\$ 250.95 CAD

\$252.23 USD

Total Estimated Cost:

\$1,235.23 USD

Restrictions

Quote: **AC ONLY/NON-REF/CHGE FEE**

TICKET NOT YET ISSUED. AIRFARE QUOTED IN ITINERARY IS NOT GUARANTEED UNTIL TICKETS ARE ISSUED.

Remarks:

FOR CHANGES AND CANCELLATIONS THAT CANNOT BE COMPLETED ONLINE PLEASE CALL 800-327-2737 IF CALLING OUTSIDE US/CANADA PLEASE CALL 336-291-0098 .

DOMESTIC FLIGHTS - A VALID GOVERNMENT ISSUED PHOTO ID IS MANDATORY.

PLEASE CHECK IN 90 MINUTES PRIOR TO DEPARTURE.

ALL INTERNATIONAL DESTINATIONS - ADDITIONAL DOCUMENTS SUCH AS A VISA MAY ALSO BE REQUIRED. PLEASE RECONFIRM FLIGHTS WITH THE AIRLINE 72 HOURS PRIOR TO DEPARTURE. PLEASE CHECK IN 2-3 HOURS PRIOR TO DEPARTURE DEPENDING ON DESTINATION. CHECK WITH OUR OFFICE FOR COMPLETE INSTRUCTIONS.

TICKETS MAY BE NON-REFUNDABLE, NON-ENDORSABLE NON-CHANGEABLE AND ONLY VALID ON THE SAME CARRIERS. CHANGES MAY RESULT IN PENALTIES AND ADDITIONAL FEES. SOME FARE RESTRICTIONS REQUIRE CHANGES BE MADE PRIOR TO DEPARTURE DATE AND TIME OR THE TICKET WILL HAVE NO FUTURE EXCHANGE VALUE.

Itinerary created on 12/07/2012 at 4:11 PM