

EQUIPMENT SECURITY AGREEMENT

This Equipment Security Agreement is made as of February 23, 2015.

TO: Name: Cliffs Mining Company
Address: 200 Public Square, Suite 3300
Cleveland, Ohio 44114-2544
Attention: Clifford T. Smith, Executive Vice President
Facsimile: 216-694-6505

WHEREAS:

A. Wabush Iron Co. Limited and Wabush Resources Inc. (each a "**Debtor**" and, collectively, the "**Debtors**") are, or may become, indebted or liable to Cliffs Mining Company (the "**Creditor**") in connection with a credit agreement dated as of the date hereof between the Debtors and the Creditor (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

B. To secure the payment and performance of its Secured Liabilities, each Debtor has agreed to grant to the Creditor the Security Interests in accordance with the terms of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged by each Debtor, each Debtor, jointly and severally, agrees with and in favour of the Creditor as follows:

1. **Definitions.** In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and the following terms shall have the following meanings:

"**Accessions**", "**Equipment**" and "**Proceeds**" shall have the meanings given to them in the PPSA.

"**Agreement**" means this agreement including the schedules and recitals hereto as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Books and Records**" means, with respect to any Debtor, all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Equipment of such Debtor which are at any time owned by such Debtor or to which such Debtor (or any Person on such Debtor's behalf) has access.

"**Collateral**" means, with respect to any Debtor, any and all present and future right, title and interest whatsoever of such Debtor in all Equipment of such Debtor located in Newfoundland and Labrador (including any Equipment set out in Schedule A and any schedules, documents or listings that such Debtor may from time to time provide to the Creditor in connection with this Agreement), Accessions thereto, Books and Records and Permits, and all Proceeds of any of the foregoing, wherever located.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Creditor**" has the meaning set out in the recitals hereto, and shall include its successors and assigns.

"**Debtors**" has the meaning set out in the recitals hereto, and shall include their respective successors and assignors.

“**Permits**” means, with respect to any Debtor, all permits, licences, waivers, exemptions, consents, certificates, authorizations, approvals, franchises, rights-of-way, easements and entitlements that such Debtor has, requires or is required to have, to own, possess or operate any of the Equipment.

“**Person**” includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

“**PPSA**” means the *Personal Property Security Act* (Newfoundland and Labrador) as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

“**Receiver**” means a receiver, a manager or a receiver and manager.

“**Release Date**” means the date on which all the Secured Liabilities of the Debtors have been indefeasibly paid and discharged in full and the Credit Agreement has terminated.

“**Secured Liabilities**” means, with respect to any Debtor, all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of such Debtor to the Creditor under, in connection with or with respect to the Loan Documents, and any unpaid balance thereof.

“**Security Interests**” means, with respect to any Debtor, the Liens created by such Debtor in favour of the Creditor under this Agreement.

2. **Grant of Security Interests.** As general and continuing collateral security for the due payment and performance of its Secured Liabilities, each Debtor pledges, mortgages, charges and assigns (by way of security) to the Creditor, and grants to the Creditor a security interest in, the Collateral.
3. **Attachment; No Obligation to Advance.** Each Debtor confirms that value has been given by the Creditor to such Debtor, that such Debtor has rights in its interest in the Collateral existing at the date of this Agreement, and that such Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests with respect to the Collateral created by this Agreement shall have effect and be deemed to be effective whether or not the Secured Liabilities of such Debtor or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to any Debtor or any other Person.
4. **Limitations on Grant of Security Interests.** If the grant of the Security Interests with respect to any Permit under Section 2 would result in the termination or breach of such Permit, or is otherwise prohibited or ineffective (whether by the terms thereof or under applicable Law), then such Permit shall not be subject to the Security Interests but shall be held in trust by the applicable Debtor for the benefit of the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement shall be assigned by such Debtor as directed by the Creditor; provided that the Security Interests of such Debtor shall attach to such Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied.
5. **Representations and Warranties.** Each Debtor represents and warrants to the Creditor that, as of the date of this Agreement:

- (a) Debtor Information. All of the information set out in Schedule A with respect to the Equipment of the Debtors is accurate and complete.
- (b) Title; No Other Security Interests. The Debtors own the Collateral free and clear of any Liens other than Liens from time to time permitted in writing by the Creditor.
- (c) Authority. Such Debtor has full power and authority to grant to the Creditor the Security Interests granted by such Debtor and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of such Debtor's organizational documents or any agreement, instrument or restriction to which such Debtor is a party or by which such Debtor or any of the Collateral is bound.
- (d) Execution and Delivery. This Agreement has been or will be duly authorized, and has been duly executed and delivered by such Debtor and is a valid and binding obligation of such Debtor enforceable against such Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

6. Covenants. Each Debtor covenants and agrees with the Creditor that:

- (a) Further Documentation. Such Debtor shall from time to time, at the expense of such Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). Such Debtor acknowledges that this Agreement has been prepared based on the Laws of the Province of Newfoundland and Labrador and that a change in such Laws, or the Laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, such Debtor agrees that the Creditor shall have the right to require that this Agreement be amended, supplemented, restated or replaced, and that such Debtor shall immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such Laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if such Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Liens similar to, and having the same effect as, the Security Interests.
- (b) Maintenance of Records. The Debtors shall keep and maintain accurate and complete records of the Collateral. At the written request of the Creditor, the Debtors shall mark any Collateral specified by the Creditor to evidence the existence of the Security Interests.
- (c) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, enter the premises of the Debtors where any of the Collateral is located for the purpose of inspecting such Collateral, observing its use or otherwise protecting its interests in such Collateral. The Debtors, at their expense, shall provide the Creditor with

such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

- (d) Limitations on Other Liens. The Debtors shall not create, incur or permit to exist, and shall defend the Collateral against, and shall take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than Liens from time to time permitted in writing by the Creditor, and the Debtors shall defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.
- (e) Limitations on Dispositions of Collateral. The Debtors shall not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral.
- (f) Maintenance of Collateral. The Debtors shall maintain the Collateral in good operating condition, ordinary wear and tear excepted, and such Debtor shall provide all maintenance, service and repairs necessary for such purpose.
- (g) Notices. Such Debtor shall advise the Creditor promptly, in reasonable detail, of:
 - (i) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office or domicile of such Debtor;
 - (ii) any change in the name of such Debtor;
 - (iii) any merger, consolidation or amalgamation of such Debtor with any other Person;
 - (iv) any Lien on, or claim asserted against, any of the Collateral; or
 - (v) any occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

7. **Enforcement Rights of Creditor.** If the Creditor makes a demand under Section 2.1 of the Credit Agreement, then and in every such case the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under applicable Law may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

- (a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.
- (b) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
- (c) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

- (d) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality (except as required by applicable Law), on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (e) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.
- (f) Purchase by Creditor. At any public sale, and to the extent permitted by Law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to any Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for all or any of the Liabilities then due and payable as a credit against the purchase price.
- (g) Appoint Receiver. Appoint by instrument in writing one or more Receivers of any Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable Law, any Receiver appointed by the Creditor will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the applicable Debtor and not of the Creditor.
- (h) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of any Debtor or of any or all of the Collateral.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable Law) to or on any Debtor or any other Person, and each Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable Law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time.

8. **Continuing Liability of Debtors.** Each Debtor will remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

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

10. **Dealings by Creditor.** The Creditor shall not be obliged to exhaust its recourse against any Debtor or any other Person or against any other security it may hold with respect to the Secured Liabilities of such Debtor or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with any Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities of any Debtor or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and shall not impose any duty upon the Creditor to exercise any such powers.
11. **Communication.** Any notice or other communication required or permitted to be given under this Agreement will be made in accordance with the terms of the Credit Agreement.
12. **Release of Information.** Each Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of its Secured Liabilities, and (iii) as required by applicable Law.
13. **Release of Debtor.** Upon the written request of any Debtor given at any time on or after the Release Date, the Creditor shall at the expense of such Debtor, release such Debtor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of such Debtor, the Creditor shall execute and deliver to such Debtor such releases and discharges as such Debtor may reasonably request.
14. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor shall not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of any Debtor to pay the Secured Liabilities of such Debtor, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation.
15. **Governing Law; Attornment.** This Agreement shall be governed by and construed in accordance with the Laws of the Province of Newfoundland and Labrador. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, each Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable Law, each Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.
16. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including"

shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

17. **Paramourty.** In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Creditor under the Credit Agreement. If any act or omission of either or both Debtors is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve either or both Debtors from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

18. **Successors and Assigns.** This Agreement shall enure to the benefit of, and be binding on, each Debtor and its successors and permitted assigns, and shall enure to the benefit of, and be binding on, the Creditor and its successors and assigns. No Debtor may assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person.

19. **Acknowledgment of Receipt/Waiver.** Each Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable Law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued with respect to any such financing statement or financing change statement.

20. **Electronic Signature and Counterparts.** Delivery of an executed signature page to this Agreement by any Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by such Debtor of a manually executed copy of this Agreement by such Debtor. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

[signatures on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

WABUSH IRON CO. LIMITED

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

WABUSH RESOURCES INC.

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

SCHEDULE A**EQUIPMENT**

Collateral Description	Serial Number
KOMATSU PC5500 SHOVEL	15122
LETOURNEAU L-1850 LOADER	2210
KOMATSU PC5500-6 TT SHOVEL	15052
KOMATSU 830E HAUL TRUCK	A30889
KOMATSU 830E HAUL TRUCK	A30883
KOMATSU 830E HAUL TRUCK	A30893
KOMATSU 830E HAUL TRUCK	A30761
KOMATSU D375A6 DOZER	60186
KOMATSU 830E HAUL TRUCK	A30589
KOMATSU 830E HAUL TRUCK	A30534
KOMATSU 830E HAUL TRUCK	A30533
KOMATSU 830E HAUL TRUCK	A30022
UNIT RIG HAUL TRUCK	MH136
UNIT RIG HAUL TRUCK	MH137
UNIT RIG HAUL TRUCK	MH164
UNIT RIG HAUL TRUCK	MH218
UNIT RIG HAUL TRUCK	MH219
KOMATSU WA600 LOADER	60902