

WABUSH IRON CO. LIMITED

- and -

WABUSH RESOURCES INC.

- and -

WABUSH LAKE RAILWAY COMPANY LIMITED

- and -

TACORA RESOURCES INC.

- and -

MAGGLOBAL LLC

ASSET PURCHASE AGREEMENT

DATED AS OF JUNE 2, 2017

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of June 2, 2017 is made by and among:

WABUSH IRON CO. LIMITED

- and -

WABUSH RESOURCES INC.

- and -

WABUSH LAKE RAILWAY COMPANY LIMITED

(collectively, the “**Vendors**”)

- and -

TACORA RESOURCES INC. (the “**Purchaser**”)

- and -

MAGGLOBAL LLC (the “**Parent**”)

RECITALS:

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

B. By an Order of the Court dated May 20, 2015 (as the same may be amended, restated or rectified from time to time), Wabush Iron, Wabush Resources, Arnaud Railway Company, Wabush Lake Railway Company Limited and Wabush Mines (collectively, the “**Wabush CCAA Parties**”) were added to the CCAA Proceedings and obtained protection from their creditors under the CCAA.

C. The Vendors have operated the business of an iron ore mine and processing facility (the “**Business**”) located north of the Town of Wabush in Newfoundland and Labrador, commonly known as either the Wabush mine or the Scully mine, together with the Wabush Lake Railway (collectively, the “**Scully Mine**”).

D. The Vendors desire to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendors, all of the Vendors’ right, title and interest in and to the Purchased Assets and the Assumed Liabilities, on the terms and subject to the

conditions contained in this Agreement.

E. The Northern Land Shares and Northern Land Indebtedness are included as Purchased Assets and IOC has confirmed that it will not be exercising its right of first refusal to purchase such shares and notes pursuant to the Subscription Agreement.

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

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

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement:

“116(2) Property” means Wabush Iron’s interest in such portion of the Purchased Assets that consists of “taxable Canadian property” as defined for purposes of section 116 of the ITA (other than property described in subsection (5.2) “and excluded property”, as defined for purposes of section 116 of the ITA).

“116(5.2) Property” means Wabush Iron’s interest in such portion of the Purchased Assets that consists of property that is described in subsection 116(5.2) of the ITA.

“Access Agreement” means an agreement substantially in the form attached hereto as Exhibit “A”.

“Accrual Cure Costs” means the amounts, if any, (i) to be paid to remedy all of the monetary defaults in relation to, and (ii) to cover all amounts accruing and owing but not yet payable or due by the Vendors under or pursuant to (a) the Maintenance and Operation Agreement dated January 1, 1980 between Carol Lake Company Limited and Wabush Lake Railway, as amended June 10, 1985, for the period from and after April 1, 2017 to Closing, (b) the Running Rights Agreement dated August 4, 1960 between Northern Land and Wabush Lake Railway, for the period from and after January 1, 2017 to Closing; (c) the Wabush Mountain Area Mining Lease for the period from and after December 31st, 2016 to Closing; (d) the Lot 2, 3 and 4 Mining Lease for the period from and after December 31st, 2016 to Closing; (e) the Subscription Agreement for the period from and after January 1, 2017 to Closing; (f) any Additional Assignment Order Assigned Contract for the period to Closing not otherwise set out in the amended Schedule “D”; and (g) any Additional Non-Assignment Order Assigned Contract for the period to Closing not otherwise set out in the amended Schedule “D”.

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

“Additional Assignment Order Assigned Contract” means any Contract that, with the consent of the Vendors, acting reasonably, is added to Schedule “D” prior to the

Assignment Order Contract Deadline, and “**Additional Assignment Order Assigned Contracts**” means all of such Contracts. For greater certainty, the Cure Costs applicable to any Additional Assignment Order Assigned Contract (other than Accrual Cure Costs, if any) shall be added to Schedule “O”.

“**Additional Non-Assignment Order Assigned Contract**” means any Contract that, with the consent of the Vendors, acting reasonably, is added to Schedule “D” on or after the Assignment Order Contract Deadline and prior to Closing; which additional Contract shall not be subject to any Assignment Order, and “**Additional Non-Assignment Order Assigned Contracts**” means all of such Contracts.

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

“**Alternative Allocation**” has the meaning set out in Section 3.5(9).

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

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

“**Approval and Vesting Order Deadline Date**” means June 30th, 2017 or such later date as the Parties may agree upon.

“**Approval and Vesting Order**” means an order of the Court issued in the CCAA Proceedings approving the transactions contemplated by this Agreement and vesting in the Purchaser all of the Vendors’ right, title and interest in and to the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances), in the form of Schedule “A”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“**Assigned Contracts**” means, subject to Section 2.3(5) of this Agreement, the Real Property Leases, the Mining Rights and the other Contracts listed on Schedule “D”, as such Schedule may be amended, supplemented or restated from time to time in accordance with the terms of this Agreement.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendors’ rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

“Assignment Order” means an order of the Court issued in the CCAA Proceedings pursuant to section 11.3 of the CCAA assigning to the Purchaser (or its Designated Affiliate, as applicable) the Vendors’ right, benefit and interest in and to any of the Assigned Contracts (other than the Additional Non-Assignment Order Assigned Contracts) for which any necessary consent to assign has not been obtained, in the form of Schedule “A-1”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“Assignment Order Contract Deadline” means June 11, 2017.

“Assumed Liabilities” means only the Liabilities of the Vendors listed on Schedule “E”.

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

“Books and Records” means (i) in each case of this clause (i) solely to the extent located at the Scully Mine, all books, records, files, papers, books of account and other financial data related to the Purchased Assets, the Business and the Assumed Liabilities, including drawings, any engineering information, geologic data, geotechnical data and interpretation, core logging data, and laboratory analysis data and interpretation related to drilling campaigns, geological mapping, production records, maintenance records including equipment master list, work order database and maintenance and equipment history contained in what is commonly known as a CMMS or Computer based Maintenance Management System, technical reports and environmental studies and reports, manuals and data, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, permits, licences and authorizations, application, renewal and reinstatement documentation, and (ii) mining block model data, provided, however, that the Vendors are not providing any software or licences (including the CMMS or Computer based Maintenance Management System) to be used to access any of the foregoing data that may be available in electronic form.

“Business” has the meaning set out in Recital C.

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of St. John’s, Newfoundland and Labrador, the City of Toronto, Ontario, or the City of Cleveland, Ohio.

“Cash Purchase Price” has the meaning set out in Section 3.1(1).

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

“CCAA Parties” means the Bloom CCAA Parties and the Wabush CCAA Parties.

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

“Certificate of Compliance” has the meaning set out in Section 3.5(1).

“Claims Procedure Order” means the order of the Court dated November 5, 2015 approving a procedure for the submission, evaluation and adjudication of claims against the CCAA Parties and their current and former directors and officers, as amended from time to time.”

“Closing” means the completion of the purchase and sale of the Vendors’ right, title and interest in and to the Purchased Assets and the assignment and assumption of the Assumed Liabilities by the Purchaser in accordance with the provisions of this Agreement.

“Closing Date” means the date on which Closing occurs, which date shall be the Target Closing Date or such other date as may be agreed to in writing by the Parties; provided, that the Closing Date shall be no later than the Outside Date.

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

“Closure Plan” means any reclamation, rehabilitation, remediation, restoration, waste disposal, water management, post-closure control measures, monitoring and ongoing maintenance and management programs for environmental impacts or other similar obligations with respect to the Scully Mine that is required by Applicable Law, by the terms and conditions of applicable licences, or by Governmental Authorities.

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

“Confidentiality Agreement” has the meaning set out in Section 10.8.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) Related to the Business to which any one or more of the Vendors are a party or by which any one or more Vendors or any of the Purchased Assets is bound or under which any one or more of the Vendors have rights, including any Personal Property Leases, Mining Rights and any Real Property Leases.

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

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

“Critical Permits and Licences” means those Permits and Licences that are, in the opinion of the Purchaser, necessary and critical to the operation of the Business and the Purchased Assets by the Purchaser as listed and specified on Schedule “F”.

“Cure Costs” means (i) with respect to any Assigned Contract (other than an Additional Non-Assignment Order Assigned Contract) for which consent to assignment has not been obtained and is to be assigned to the Purchaser (or its Designated Affiliate, if applicable) in accordance with the terms of the Assignment Order, the amounts, if any, to be paid to remedy all of the monetary defaults in relation to such Assigned Contract, which amount shall be scheduled in the Assignment Order, together with the Accrual Cure Costs (which, for greater certainty, are not scheduled to the Assignment Order), and (ii) with respect to any Assigned Contract to be assigned on consent, the amount, if

any, to secure a counterparty's or any other necessary Person's consent to the assignment of such Assigned Contract as agreed by the Purchaser and the applicable counterparty, including, for greater certainty, any Accrual Cure Costs in respect of any Assigned Contracts. For greater certainty, Cure Costs shall not include the Disputed Post-Filing Royalties.

"Cure Cost Threshold" means in respect of each Assigned Contract, (i) the applicable amount reflected on Schedule "O" (as it may be amended, supplemented and restated from time to time) multiplied by one hundred and one percent (101%), and (ii) the Accrual Cure Costs in respect of each Assigned Contract to the extent not included in foregoing clause (i).

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

"Data Room" has the meaning set forth in Section 6.8.

"Deed of Sale" means a deed of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors' right, title and interest in and to the Owned Real Property located in the Province of Newfoundland and Labrador and the Mining Rights located in the Province of Newfoundland and Labrador, and **"Deeds of Sale"** shall mean more than one of them.

"Deposit" has the meaning set forth in Section 3.2(1).

"Designated Affiliate" shall have the meaning set forth in Section 2.3(9).

"Disputed Deadbed Action" means any Action by Wabush Iron and/or Wabush Resources (including any amounts payable, if any) in respect of certain alleged deadbed royalties, which were paid by Wabush Iron and Wabush Resources to MFC, under protest, on or about December 12, 2014.

"Disputed Post-Filing Royalties" means the amount payable, if any, by Wabush Iron and Wabush Resources from time to time to MFC in respect of royalties pursuant to the Wabush Sub-Lease for the period from and after May 20, 2015 to the Closing Date, which amounts have been, and will continue to be paid pursuant to the order of the Court granted on December 4, 2015, until further order of the Court, by Wabush Iron and Wabush Resources to the Monitor, to be held in trust by the Monitor, pending final determination by the Court or settlement between Wabush Iron, Wabush Resources and MFC as to what amounts, if any, should be paid to MFC under the Wabush Sub-Lease for such period of time.

"Employee Plans" means all written or oral employee benefit, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation, phantom stock option, Pension Plans,

savings, vacation pay, severance or termination pay, retirement, supplementary retirement (including, for greater certainty, the supplemental retirement arrangement plan for certain current and former salaried employees of Wabush Mines), hospitalization insurance, salary continuation, legal, health or other medical, dental, life, disability or other benefits or insurance (whether insured or self-insured) plan, program, agreement or arrangement, including post-termination or retirement benefit plans, and every other written or oral benefit plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Vendors or any Affiliate of the Vendors for the benefit of the Employees, former employees, directors, officers and their dependents or beneficiaries by which the Vendors are bound or with respect to which the Vendors participate or have any actual or potential Liability.

“Employees” means all individuals who, as of the Closing Date, are employed by any Vendor in the Business, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence, all individuals who have been placed on temporary lay-off which has not expired, and all individuals who have recall rights which have not expired under the Expired Collective Bargaining Agreement, including the Unionized Employees, and **“Employee”** means any one of them.

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

“Environmental Claim” means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom whether incurred or arising before or after Closing by or from any Person alleging liability of whatever kind or nature arising out of, based on or resulting from: (i) the presence of, Release of, or exposure to any Hazardous Materials at, on or under the Scully Mine; or (ii) any non-compliance with any Environmental Law; other than, for greater certainty, (x) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time and (y) any claim that may be made by any Aboriginal or Innu band, Aboriginal or Innu group, Aboriginal or Innu community, Aboriginal or Innu people or Aboriginal or Innu person in relation to environmental damage that was caused by or occurred as a result of the development or operation of or activities at the Scully Mine prior to the Closing Time.

“Environmental Law” means any Applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (i) relating to pollution (or the investigation or cleanup thereof), the management or protection of natural resources, endangered or threatened species, human health or safety, or the protection or quality of the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (ii) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

“Environmental Liabilities” means, to the extent not extinguished pursuant to the Claims Procedure Order, all past, present and future obligations and Liabilities of whatsoever nature or kind, other than Excluded Liabilities, arising from or relating to any Environmental Matter or any Environmental Claim.

“Environmental Matters” means: (i) the presence or Release, whether occurring before or after Closing, of Hazardous Materials at, on or under the Scully Mine; or (ii) any Reclamation Obligation; other than, for greater certainty, (x) any asbestos-related, inhalable dust-related or silica-related claims (whether made to the WHSCC or otherwise) arising by reason of any occurrence prior to the Closing Time and (y) any claim that may be made by any Aboriginal or Innu band, Aboriginal or Innu group, Aboriginal or Innu community, Aboriginal or Innu people or Aboriginal or Innu person in relation to environmental damage that was caused by or occurred as a result of the development or operation of or activities at the Scully Mine prior to the Closing Time.

“Environmental Obligations” has the meaning set forth in Section 6.9.

“Environmental Permit” means any Permit and Licence, letter, clearance, consent, waiver, Closure Plan, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“Excluded Assets” means the properties and assets of the Vendors listed on Schedule “G”.

“Excluded Liabilities” means all Liabilities of the Vendors including without limitation the Liabilities listed on Schedule “E-1”, in each case, other than the Assumed Liabilities, Environmental Obligations and the Environmental Liabilities.

“Expired Collective Bargaining Agreement” means the collective bargaining agreement in respect of the Unionized Employees effective as of March 1, 2009 as amended by the Closure Settlement Agreement between Wabush Mines, Wabush Lake Railway and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and the United Steel Workers, Local 6285 dated as of November 25, 2014, as it may have been further amended, modified, restated or supplemented from time to time prior to its expiry, and any related letter of understanding or other similar agreement entered into by the same parties.

“General Conveyance” means a general conveyance and assumption of liabilities, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities.

“Governmental Authority” means:

- (1) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (2) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing,

regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;

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

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

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

“Guarantee” has the meaning set forth in Section 6.15.

“Hazardous Materials” means: (i) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or animal life or harm or impair the health of any individual and includes any contaminant, waste or substance or material defined, prohibited, regulated or reportable pursuant to any Applicable Law relating to the environment, pollution or human health and safety, in each case, whether naturally occurring or manmade; and (ii) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“ICA” means the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.).

“Intellectual Property” means all intellectual property and industrial property Related to the Business, throughout the world, whether or not registerable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all (i) trade-marks, corporate names and business names, (ii) inventions, (iii) works and subject matter in which copyright, neighbouring rights or moral rights subsist, (iv) industrial designs, (v) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored, (vi) telephone numbers and facsimile numbers, (vii) registered domain names, and (viii) social media usernames and other internet identities and all account information relating thereto.

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

“IOC” means the Iron Ore Company of Canada.

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

“Knoll Lake” means Knoll Lake Minerals Limited, a corporation existing under the laws of Canada.

“Knoll Lake Shares” means the aggregate common stock of Knoll Lake legally and beneficially owned by Wabush Resources and Wabush Iron.

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

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

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

“Lot 2, 3 and 4 Mining Lease” has the meaning set out in Schedule “O”.

“Manganese Reduction Equipment” means all right, title and interest, if any, of the Vendors in the components, machinery, tools and other related personal property in respect of the manganese reduction equipment located in Meadville, Pennsylvania that is Related to the Business.

“MFC” means MFC Bancorp Ltd.

“Mining Leases” means the leases, sub-leases, including, without limitation, the Wabush Sub-Lease, surface rights leases, and related rights of the Vendors to explore, develop, extract, mine and conduct other related activities in respect of the Scully Mine, and the Business.

“Mining Rights” means the Mining Leases, mining claims, mining concessions and any other mining or mineral rights related to the Scully Mine and the Business issued to, granted to or otherwise conferred upon or otherwise acquired by the Vendors, as listed on Schedule “H”.

“Mining Rights Transfer” means a mining rights transfer as required by the Minister of Natural Resources of Newfoundland and Labrador, satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors’ right, title and interest in and to the Mining Rights located in the Province of Newfoundland and Labrador and **“Mining Rights Transfers”** means more than one of them.

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

“Monitor’s Certificate” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order, to be delivered by the Monitor to the

Vendors and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received, among other things, the Conditions Certificates.

“Non-Unionized Employees” means all Employees other than Unionized Employees.

“Northern Land” means Northern Land Company Limited, a corporation existing under the laws of Newfoundland and Labrador.

“Northern Land Indebtedness” means, collectively, the outstanding principal amount of, and accrued and unpaid interest on, any indebtedness advanced by or on behalf of Wabush Iron to Northern Land, whether or not evidenced by bonds, debentures, notes, promissory notes or other similar debt securities or instruments (whether certificated or uncertificated) advanced by or on behalf of Wabush Iron to Northern Land (including, without limitation, the outstanding principal amount remaining under a loan in the original principal amount of CAD\$10,000,000 made on or about March 5, 2012 by Wabush Iron to Northern Land).

“Northern Land ROFR Waiver” means a consent and waiver, in form and substance satisfactory to the Vendors, in their sole discretion, confirming that IOC consents to the sale of the Northern Land Shares and Northern Land Indebtedness as contemplated by this Agreement and waives its rights of first refusal under the Subscription Agreement in respect of the purchase of the Northern Land Shares and Northern Land Indebtedness.

“Northern Land Shares” means all right, title and interest of Wabush Iron in shares in the capital of Northern Land.

“Obligations” has the meaning set forth in Section 6.15.

“Outside Date” means July 31st, 2017 or such later date as the Parties may mutually agree.

“Owned Real Property” has the meaning set out in Schedule “I”.

“Parent” has the meaning set out in the preamble hereto.

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

“Pension Plans” means the Salaried Pension Plan and the Unionized Pension Plan.

“Permits and Licences” means any and all licences, permits, approvals, authorizations, certificates, directives, orders, variances, registrations, rights, privileges, concessions or franchises issued, granted, conferred or otherwise created by any Governmental Authority and held by or on behalf of the Vendors or other evidence of authority Related to the Business issued to, granted to, conferred upon, or otherwise created for, the Vendors which relate to the ownership, maintenance, operation or reclamation of the Scully Mine.

“Permitted Encumbrances” means the Encumbrances related to the Purchased Assets listed on Schedule “J”.

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

“Personal Information” means information about an identifiable individual as defined in Privacy Law.

“Personal Property” means any and all vehicles, equipment, parts, inventory of spare parts, parts and supplies, mine facilities (including maintenance shops, load out bins, crushers, mills, spirals, hydro-sizers, dryers, separation units), furniture and any other tangible personal property in which the Vendors have a beneficial right, title or interest, in all cases, Related to the Business, located at the Scully Mine or otherwise in the province of Newfoundland and Labrador (and including those in possession of suppliers, customers and other third parties) other than Excluded Assets.

“Personal Property Lease” means a Personal Property lease, chattel lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the Vendors is a party or under which it has rights to use Personal Property.

“Post-Closing Assigned Contracts” has the meaning set out in Section 2.3(5)(iii).

“Post-Closing Assigned Contract Costs” has the meaning set out in Section 2.3(5)(iii).

“Processing Plant” means the iron ore processing facility including crushers, mills, spirals, hydro-sizers, dryers, separation units, load out bins, workshops, warehouse and offices located at the Scully Mine.

“Privacy Law” means the *Personal Information Protection and Electronic Documents Act* (Canada).

“Proprietary Marks” has the meaning set out in Section 6.11.

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

“Purchased Assets” means those assets Related to the Business in respect of the Scully Mine as set out in Schedule “K”, but, for greater certainty, does not include the Excluded Assets.

“Purchaser” has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof in accordance with Section 10.17.

“Purchaser Closure Plan” means the Closure Plan submitted by the Purchaser to the Government of Newfoundland, Department of Natural Resources, in respect of the Scully Mine.

“RBA APAs” means, collectively, (i) the amended & restated asset purchase agreement dated as of September 22, 2016 among The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources and Wabush Iron, as vendors, and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser, as such amended and restated asset purchase agreement may be further supplemented, modified, amended and/or restated

from time to time in accordance with its terms, and (ii) the asset purchase agreement dated as of October 11, 2016 among The Bloom Lake Iron Ore Mine Limited Partnership, Wabush Resources and Wabush Iron, as vendors, and Ritchie Bros Auctioneers (Canada) Ltd., as purchaser, as such asset purchase agreement may be amended, restated or supplemented from time to time in accordance with its terms.

“Real Property Leases” means the leases in respect of real property listed on Schedule “L”.

“Reclamation Obligation” means the obligations and commitments of any Vendor of any nature whatsoever under Applicable Law, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise, for the reclamation of the Scully Mine or any real property constituting Purchased Assets, including the obligations and costs of reclamation, decommissioning, rehabilitation and restoration set forth in any Closure Plan.

“Related to the Business” means (i) used in, (ii) arising from or (iii) otherwise related to the Business or any part thereof.

“Release” includes any actual release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the natural environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“Remittance Date” has the meaning set out in Section 3.5(4).

“Removed Contract” means any Assigned Contract that is removed by the Purchaser from Schedule “D” by no later than June 16, 2017, and **“Removed Contracts”** means all such Contracts. For greater certainty and subject to Section 2.3(6), the Cure Costs applicable to any Removed Contract shall be removed from Schedule “O”.

“Replacement Collective Bargaining Agreement” means a new collective agreement entered into by the Purchaser and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and the United Steel Workers, Local 6285 which has been duly ratified and filed in accordance with Applicable Law, and which replaces the Expired Collective Bargaining Agreement.

“Replacement Financial Assurance” means the replacement financial assurance package in form and substance satisfactory to the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources, in respect of the Purchaser Closure Plan.

“Replacement Financial Assurances Condition Date” means June 16, 2017.

“Replacement Permit and Licence” means a new permit, licence, authorization, approval or other similar item providing substantially equivalent rights to the Purchaser as the Vendors are entitled to as of the Closing Date pursuant to the applicable Permit and Licence.

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

“Required Regulatory Approval” means the regulatory approval identified on Schedule “C”.

“Salaried Pension Plan” means the Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company and Wabush Lake Railway Company, Limited (Newfoundland and Labrador Pension Benefits Standards Division Registration Number 0021314).

“Sale Advisor” means Moelis & Company LLC.

“Service List” means the service list maintained in connection with the CCAA Proceedings and posted on the Monitor’s website maintained in connection with the CCAA Proceedings.

“Scully Mine” has the meaning set out in Recital C.

“Shares” means the Knoll Lake Shares and the Northern Land Shares.

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

“Subscription Agreement” means the Subscription Agreement dated August 3, 1959 between Northern Land, IOC and Wabush Iron, as amended, restated and supplemented from time to time.

“Target Closing Date” means the third Business Day following the later of the issuance of the Approval and Vesting Order and the Assignment Order.

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

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

“Transaction Personal Information” means any Personal Information in the possession, custody or control of the Vendors at the Closing Time, including Personal Information about Employees, suppliers, customers, directors, officers or shareholders that is:

- (1) disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Time by the Vendors, the Monitor or the Sale Advisor or any of their Representatives; or
- (2) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Time from any member of the Vendors, the Monitor or the Sale Advisor or any of their Representatives,

in either case in connection with the transactions contemplated by this Agreement.

“Transfer Taxes” means all applicable Taxes, including any applicable GST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement (for greater certainty, excluding any income Taxes of the Vendors).

“Union” means the United Steelworkers, Local 6285.

“Unionized Employees” means all Employees who have rights under the Expired Collective Bargaining Agreement.

“Unionized Pension Plan” means the Pension Plan for Bargaining Unit Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Railway Company, Limited (Newfoundland and Labrador Pension Benefits Standards Division Registration Number 0024699; Office of the Superintendent of Financial Institutions Registration Number 57777).

“Unionized Pension Beneficiary Notice” means a letter to members and beneficiaries of the Unionized Pension Plan in the form of Schedule “P”, or otherwise in form and content acceptable to the Parties in all respects, acting reasonably.

“Vendor Closure Plan” means the Closure Plan submitted by Wabush Mines, Scully Mine Division, to the Government of Newfoundland, Department of Natural Resources, in respect of the Scully Mine.

“Vendor Surety Bonds” means the surety and other bonds and/or letters of credit posted or delivered by or on behalf of one or more of the Vendors and/or any of its/their Affiliates with Governmental Authorities or any other Persons to secure obligations of such Vendor, as set out in Schedule “M”.

“Vendors” has the meaning set out in the preamble hereto.

“Vendors’ Knowledge” means the actual knowledge, after reasonable inquiry, of Clifford T. Smith, officer of each of the Vendors, and Patrick Ryan (Senior Area Manager Utilities & Facilities of the Scully Mine), Edward Power (Section Manager of the Scully

Mine), Anthony Cranford (Area Manager of the Scully Mine), and Kevin Barry (Section Manager of the Scully Mine).

“Wabush CCAA Parties” has the meaning set out in Recital B.

“Wabush Iron” means Wabush Iron Co. Limited, a corporation existing under the laws of the State of Ohio.

“Wabush Lake Railway” means the federally regulated railway, the tracks of which are shown in blue on Schedule “B”, which connects the Scully Mine to the railway tracks owned by Northern Land previously used for, among other things, the transportation of iron ore concentrate from the Scully Mine.

“Wabush Lake Railway Company” means Wabush Lake Railway Company Limited, a corporation existing under the laws of Newfoundland and Labrador.

“Wabush Mine Care and Maintenance Plan” means the care and maintenance plan for Wabush Mines in respect of the Scully Mine prepared by AMEC Environment and Infrastructure dated March 31, 2014 which was amended on August 20, 2014 and approved by the Government of Newfoundland and Labrador, Department of Natural Resources on September 23, 2014.

“Wabush Mines” means an unincorporated contractual joint venture called “Wabush Mines” pursuant to which Wabush Resources and Wabush Iron have, respectively, undivided 73.17% and 26.83% co-ownership interests in the underlying assets and liabilities of the joint venture.

“Wabush Mountain Area” means those lands and premises leased to Newfoundland and Labrador Corporation Limited from the Province of Newfoundland and Labrador as more particularly described in two indentures dated May 15th, 1962, registered at the Registry of Deeds for the province of Newfoundland and Labrador at Volume 577 Folios 522-543 and 564-593, as each may be amended, restated, supplemented, assigned or modified from time to time.

“Wabush Mountain Area Mining Lease” has the meaning set out in Schedule “O”.

“Wabush Resources” means Wabush Resources Inc., a corporation existing under the laws of Canada.

“Wabush Sub-Lease” means the Amendment and Consolidation of Mining Leases dated September 2, 1959 initially made between Canadian Javelin Limited (now MFC), as lessor, and Wabush Iron, as lessee, as the same has been amended and assigned from time to time, pursuant to which Wabush Mines has been granted rights to conduct mining operations at the Scully Mine.

“WHSCC” means the Workplace Health, Safety and Compensation Commission established under the *Workplace Health, Safety and Compensation Act*, RSNL 1990 Chapter W-11, as amended.

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

been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

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

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

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

1.6 Additional Rules of Interpretation.

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

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

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

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

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

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

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

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

SCHEDULES

<u>Schedule "A"</u>	Form of Approval and Vesting Order
<u>Schedule "A-1"</u>	Form of Assignment Order
<u>Schedule "B"</u>	Map Showing Wabush Lake Railway
<u>Schedule "C"</u>	Required Regulatory Approval
<u>Schedule "D"</u>	Assigned Contracts
<u>Schedule "E"</u>	Assumed Liabilities
<u>Schedule "E-1"</u>	Excluded Liabilities
<u>Schedule "F"</u>	Critical Permits and Licences
<u>Schedule "G"</u>	Excluded Assets
<u>Schedule "H"</u>	Mining Rights
<u>Schedule "I"</u>	Owned Real Property
<u>Schedule "J"</u>	Permitted Encumbrances
<u>Schedule "K"</u>	Purchased Assets
<u>Schedule "L"</u>	Real Property Leases
<u>Schedule "M"</u>	Vendor Surety Bonds
<u>Schedule "N"</u>	Allocation of Purchase Price
<u>Schedule "O"</u>	Cure Costs
<u>Schedule "P"</u>	Form of Unionized Pension Beneficiary Notice

EXHIBITS

<u>Exhibit "A"</u>	Form of Access Agreement
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Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and Exhibits and the interpretation provisions set out in this Agreement apply to the Schedules and Exhibits. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules and Exhibits to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Purchased Assets. At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Vendors shall sell to the Purchaser, and the Purchaser shall purchase from the Vendors, all of the Vendors' right, title and interest in and to the Purchased Assets, which shall be (i) free and clear of all Encumbrances other than Permitted Encumbrances, to the extent and as provided for in the Approval and Vesting Order, and (ii) conveyed to the Purchaser in the following sequence: first the Shares and the Northern Land Indebtedness and immediately thereafter, the remaining

Purchased Assets. For greater certainty, notwithstanding any other provision of this Agreement, this Agreement does not constitute an agreement by the Purchaser to purchase, or by the Vendors to sell, any Excluded Asset.

2.2 Assumption of Assumed Liabilities. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Excluded Liability. The Purchaser shall be responsible for the Environmental Liabilities and the Environmental Obligations pursuant to Section 6.9.

2.3 Assignment of Contracts.

(1) *Obtaining Consents.* Prior to Closing, the Vendors, with the assistance of and in consultation with the Purchaser, shall use commercially reasonable efforts to obtain all consents required to assign the Assigned Contracts to the Purchaser (or its Designated Affiliate, as applicable).

(2) *Assignment Order.* To the extent that any Assigned Contract (other than any Additional Non-Assignment Order Assigned Contract) is not assignable without the consent of the counterparty or any other Person and such consent has not been obtained prior to the date that the Vendors file the motion for the Assignment Order (unless such consent is obtained prior to the first scheduled hearing date of the motion for the granting of the Assignment Order), (i) the Vendors' rights, benefits and interests in, to and under such Assigned Contract shall be conveyed to the Purchaser (or its Designated Affiliate, as applicable) pursuant to the Assignment Order, (ii) the Vendors will use commercially reasonable efforts to obtain the Assignment Order in respect of such Assigned Contract on or prior to the Approval and Vesting Order Deadline Date, in form and substance acceptable to the Purchaser, acting reasonably, and (iii) if the Assignment Order is obtained in respect of such Assigned Contract, in form and substance acceptable to the Purchaser, acting reasonably, the Purchaser (or its Designated Affiliate, as applicable) shall accept the assignment of such Assigned Contract on such terms. For greater certainty, the form of Assignment Order attached as Schedule "A-1" hereto is acceptable to the Purchaser in both form and substance and shall not relate to any Additional Non-Assignment Order Assigned Contract.

(3) *Cure Costs.* To the extent that Cure Costs are payable in respect of any Assigned Contract, the Purchaser shall pay all Cure Costs up to the amount of the Cure Cost Threshold in respect of such Assigned Contract, or such lesser or additional amounts as the Purchaser and applicable counterparty may agree, to the Monitor at or prior to Closing. For the avoidance of doubt, the Cure Cost Threshold shall be calculated on a Contract-by-Contract basis and any available threshold from one Contract shall not be available for another Contract. Such Cure Costs received by the Monitor shall be held by the Monitor and disbursed in accordance with the Approval and Vesting Order and the Assignment Order. The Cure Costs paid by the Purchaser to the Monitor shall be in addition to the Cash Purchase Price received by the Vendors for the Purchased Assets. Any amounts paid to the Monitor by the Purchaser as Cure Costs in respect of an Assigned Contract which is finally determined or agreed to by the applicable counterparty thereto to be in excess of the actual amount of Cure Costs owing in respect of such Assigned Contract, will be returned to the Purchaser in accordance with the Assignment Order, and the Purchase Price shall be reduced to reflect the return of such amounts.

(4) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(5) below) and the Approval and Vesting Order and the Assignment Order, all of the Vendors' rights, benefits and interests in, to and under the Assigned Contracts shall be assigned to the Purchaser (or its Designated Affiliate, as applicable), the consideration for which is included in the Purchase Price.

(5) *Where Consent Required.*

- (i) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (ii) The Vendors shall continue to pay the Disputed Post-Filing Royalties to the Monitor in trust until the earlier of Closing or as otherwise ordered by the Court, to be held by the Monitor, pending final determination by the Court or settlement between Wabush Iron, Wabush Resources and MFC as to MFC's entitlement if any, to the Disputed Post-Filing Royalties.
- (iii) The Vendors shall not, without the prior written consent of the Purchaser, agree to any modification of any such Assigned Contracts. If a consent to transferring such Assigned Contracts to the Purchaser (or its Designated Affiliate, as applicable) is not obtained or such assignment is not attainable (collectively, the "**Post-Closing Assigned Contracts**"), the Vendors and the Purchaser will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Purchaser (or its Designated Affiliate, as applicable) will obtain the benefits, and assume the liabilities and obligations, related to any such Post-Closing Assigned Contracts in accordance with this Agreement; provided, however, that the Purchaser acknowledges and agrees that (i) nothing in this Section 2.3(5) shall operate to prohibit or diminish in any way the right of a Vendor to dissolve, windup or otherwise cease operations as it may determine in its sole discretion, or require any Vendor to take any illegal action or commit fraud on any Person, (ii) the obligations of the Vendors under this Section 2.3(5) to implement the mutually agreeable arrangements described above shall expire sixty (60) days after Closing, (iii) the Purchaser shall be responsible for and pay the costs that are incurred or become owing by the Vendors, if any, in relation to any Post-Closing Assigned Contract, including the amounts, if any, to be paid to remedy all monetary defaults under any Post-Closing Assigned Contract for the period from the date that this Agreement is entered into by the Parties to the earlier of (a) the date upon which the Purchaser confirms that it no longer desires to assume such Post-Closing Assigned Contract, and (b) sixty (60) days after Closing (such amounts being, the "**Post-Closing Assigned Contract Costs**"), and (iv) the Vendors shall retain the right at any time to disclaim or terminate any Contract that is

not an Assigned Contract at the time of that disclaimer or termination, provided that if such proposed disclaimer or termination occurs prior to Closing, the Vendors shall provide the Purchaser with two (2) Business Days' notice of any such proposed disclaimer or termination, upon which the Purchaser may request that such Contract become either an Additional Assignment Order Assigned Contract (if prior to the Assignment Order Contract Deadline) or an Additional Non-Assignment Order Assigned Contract (if after the Assignment Order Contract Deadline).

- (iv) For greater certainty, (i) after Closing, the Vendors shall be entitled to disclaim or terminate any Contract that is not an Assigned Contract, without any notice to the Purchaser, and (ii) on the earlier of (a) the date upon which the Purchaser confirms that it no longer desires to assume any of the Post-Closing Assigned Contracts, and (b) sixty (60) days after Closing, the Vendors shall be entitled to disclaim or terminate such Post-Closing Assigned Contracts without any notice to the Purchaser.

(6) *Removed Contracts.* The Vendors shall retain the right at any time to disclaim or terminate any Removed Contract without any notice to the Purchaser.

(7) *No Adjustment.* For greater certainty, in respect of (i) any Removed Contract, and (ii) any Additional Non-Assignment Order Assigned Contract, if the consent of any Person is required to assign such Contract but such consent is not obtained prior to Closing, such Contract shall not form part of the Purchased Assets and (i) neither Party shall be considered to be in breach of this Agreement, (ii) the failure to assign or otherwise transfer such Removed Contract or Additional Non-Assignment Order Assigned Contract shall not be a condition to Closing, (iii) the Purchase Price shall not be subject to any adjustment, and (iv) the Closing shall not be delayed.

(8) *Intercompany Corporate Services.* Any corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services Related to the Business provided by any of the Vendors to any Affiliate or by any Affiliate to any of the Vendors prior to Closing will be terminated as of the Closing, and the Purchaser acknowledges and agrees that it shall be responsible for providing its own corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services in respect of the Purchased Assets following Closing.

(9) *Designated Affiliate.* Prior to the Assignment Order Contract Deadline, the Purchaser may, with the consent of the Vendors, acting reasonably, designate any one or more Affiliates to be the assignee of all of the Vendors' rights, benefits and interests in, to and under any one or more of the Assigned Contracts (such Affiliate so designated prior to the Assignment Order Contract Deadline, the "**Designated Affiliate**").

2.4 Transfer and Assignment of Permits and Licences.

(1) *Obtaining Consents.* Prior to Closing, to the extent that (i) a Permit and Licence is assignable or otherwise transferable by any Vendor to the Purchaser (ii) the Purchaser provides the Vendors with written notice requesting an assignment or transfer of such Permit and Licence at least five (5) days before the scheduled date of the hearing for the Court's

issuance of the Approval and Vesting Order, and (iii) the Purchaser preauthorizes and otherwise agrees to pay for any costs that such Vendor is required to pay to third parties and/or Governmental Authorities in connection with obtaining the assignment or transfer of any such Permit and Licence to the Purchaser (which costs shall be in addition to the Purchase Price), then such Vendor, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain any consents or approvals to assign or otherwise transfer such Permits and Licences to the Purchaser.

(2) *Transfer and Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Vendors' rights, benefits and interests in, to and under the Permits and Licences, to the extent assignable, shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

(3) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or otherwise transfer any Permit and Licence to the extent such Permit and Licence is not assignable or transferable under Applicable Law or the terms of the applicable Permit and Licence provide that it is not assignable without the consent of another Person, unless such consent has been obtained.

(4) *Post-Closing Assignment.* Notwithstanding anything in this Agreement to the contrary, if the consent or approval of any Person is required to assign or otherwise transfer a Permit and Licence, other than a Critical Permit and Licence, but such consent or approval is not obtained prior to Closing, (i) the Vendors and the Purchaser shall use their commercially reasonable efforts to obtain the necessary consents or approvals to the assignment or transfer of such Permit and Licence to the Purchaser or the Purchaser shall use its commercially reasonable efforts to obtain (with commercially reasonable assistance from the Vendors) a Replacement Permit and Licence thereof, in each case, as soon as practicable following Closing, (ii) neither Party shall be considered to be in breach of this Agreement, (iii) the failure to assign or otherwise transfer such Permit and Licence or obtain any Replacement Permit or Licence, shall not be a condition to Closing, (iv) the Purchase Price shall not be subject to adjustment, and (v) the Closing shall not be delayed.

2.5 Transfer of Shares.

(1) *Northern Land ROFR Waiver.* At the time of execution of this Agreement, the Purchaser shall have provided the Vendors with a copy of the Northern Land ROFR Waiver, duly executed by IOC.

(2) *Obtaining Consents.* Prior to Closing, the Vendors, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain any consents required to transfer the Shares and the Northern Land Indebtedness to the Purchaser.

(3) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Vendors' rights, benefits and interests in, to and under the Shares and the Northern Land Indebtedness shall be transferred to the Purchaser, the consideration for which is included in the Purchase Price.

**ARTICLE 3
PURCHASE PRICE & TAXES**

3.1 Purchase Price. The consideration payable by the Purchaser to the Vendors for the Vendors' right, title and interest in and to the Purchased Assets (the "**Purchase Price**") shall be the aggregate of:

- (1) \$2,050,000 (the "**Cash Purchase Price**");
- (2) the agreed value of the Assumed Liabilities as set forth in Schedule "N"; and
- (3) agreed value of the payment of the Cure Costs payable by the Purchaser hereunder, as set forth in Schedule "N", subject to adjustment in accordance with Section 2.3(3).

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

- (1) a deposit in the amount of \$750,000 (the "**Deposit**") which has been paid by the Purchaser to the Monitor and which shall be applied against the Cash Purchase Price on Closing. The Purchaser agrees that it waives any accrued interest earned on the Deposit;
- (2) the balance of the Cash Purchase Price, after crediting the Deposit in Section 3.2(1), shall be paid by the Purchaser to the Monitor on behalf of the Vendors;
- (3) an amount equal to the agreed value of the Assumed Liabilities, as set out in Schedule "N" shall be satisfied by the assumption by the Purchaser of the Assumed Liabilities by the execution and delivery of the Assignment and Assumption Agreement; and
- (4) the Cure Costs payable by the Purchaser hereunder shall be paid (or shall have been paid) by the Purchaser to the Monitor in accordance with Section 2.3(3).

3.3 Allocation of Purchase Price. The Parties agree that the Purchase Price shall be allocated among the Purchased Assets in the manner set forth in Schedule "N". The Purchaser and the Vendors shall report an allocation of the Purchase Price among the Purchased Assets in a manner entirely consistent with Schedule "N" and shall not take any position inconsistent therewith in the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax Returns.

3.4 Taxes. In addition to the Purchase Price, the Purchaser shall be liable for and shall, at Closing, pay all applicable Transfer Taxes. Notwithstanding the foregoing, the Parties acknowledge that the Purchaser will not be required to pay at Closing any Transfer Taxes for which the Purchaser is required or permitted under Applicable Law to self-assess, including any GST/HST related to any portion of the Purchase Price allocated to real property.

3.5 Section 116 of ITA.

- (1) Wabush Iron shall take all reasonable steps to obtain and deliver to the Purchaser on or before Closing a certificate of compliance issued by the Minister of National

Revenue (Canada) under subsection 116(2) or 116(4) of the *ITA* in respect of its disposition of the 116(2) Property and a certificate of compliance issued by the Minister of National Revenue (Canada) under subsection 116(5.2) of the *ITA* in respect of its disposition of the 116(5.2) Property. Wabush Iron shall submit an initial application for any applicable Certificate of Compliance (as defined below) to the CRA no later than ten (10) days following the date hereof. Wabush Iron shall take all commercially reasonable steps to complete such application and obtain a Certificate of Compliance and shall use commercially reasonable efforts to keep the Purchaser's counsel informed of all material developments related to such process, both prior to and after the Closing, including by providing the Purchaser with a copy of the initial application (subject to such redactions as Wabush Iron determines, acting reasonably, to be appropriate in respect of any tax information of Wabush Iron contained therein). A certificate issued by the Minister of National Revenue (Canada) under subsection 116(2) or 116(4) of the *ITA* in respect of the 116(2) Property or under subsection 116(5.2) of the *ITA* in respect of the 116(5.2) Property is hereinafter referred to as a "**Certificate of Compliance**".

(2) If a Certificate of Compliance in respect of the 116(2) Property is delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron at Closing, twenty-five percent (25%) of the amount, if any, by which such portion of the Purchase Price exceeds the certificate limit specified in such certificate. If a Certificate of Compliance in respect of the 116(2) Property is not delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron at Closing, twenty-five percent (25%) of such portion of the Purchase Price.

(3) If a Certificate of Compliance in respect of the 116(5.2) Property is delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron at Closing, fifty percent (50%) of the amount, if any, by which such portion of the Purchase Price exceeds the certificate limit specified in such certificate. If a Certificate of Compliance in respect of the 116(5.2) Property is not delivered to the Purchaser on or before the Closing, the Purchaser shall be entitled to withhold from the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron at Closing, fifty percent (50%) of such portion of the Purchase Price. For the purposes of determining (a) the amount that the Purchaser is entitled to withhold at Closing under this Section 3.5 if a Certificate of Compliance in respect of the 116(2) Property and 116(5.2) Property are not delivered to the Purchaser at Closing and (b) the amount that the Purchaser is entitled to remit to the Receiver General for Canada in accordance with Section 3.5(5) if a Certificate of Compliance in respect of the 116(2) Property and 116(5.2) Property are not delivered to the Purchaser on or before the Remittance Date, the Parties agree that the Purchaser shall be allowed to treat any portion of the Purchase Price payable to Wabush Iron that is allocated to inventory as if it had been allocated to 116(5.2) Property; provided, for greater certainty, that the amounts, if any, to be remitted to the Receiver General for Canada for the benefit of Wabush Iron on delivery of a Certificate of Compliance in accordance with this Section 3.5 shall be determined based on the Purchase Price allocation agreed to by the Parties in accordance with Section 3.3 and as set forth in Schedule "N", subject to Section 3.5(9).

(4) Where the Purchaser has withheld any amount under Section 3.5(2) or (3) and Wabush Iron delivers a Certificate of Compliance to the Purchaser after Closing and on or before the twenty-seventh day of the calendar month following the calendar month in which the Closing occurs (the "**Remittance Date**"), the Purchaser shall:

- (a) where the certificate is delivered under subsection 116(2) or (4) of the *ITA*, remit forthwith to the Receiver General for Canada for the account of Wabush Iron twenty-five percent (25%) of the amount, if any, by which the portion of the Purchase Price allocable to the 116(2) Property and payable to the Monitor in respect of Wabush Iron exceeds the certificate limit fixed in such certificate and pay forthwith to the Monitor, in trust for the benefit of Wabush Iron, any amount that the Purchaser has withheld in respect of the 116(2) Property in excess of such amount; and
- (b) where the certificate is delivered under subsection 116(5.2) of the *ITA*, remit forthwith to the Receiver General for Canada for the account of Wabush Iron fifty percent (50%) of the amount, if any, by which the portion of the Purchase Price allocable to the 116(5.2) Property and payable to the Monitor in respect of Wabush Iron exceeds the certificate limit fixed in such certificate and pay forthwith to the Monitor, in trust for the benefit of Wabush Iron, any amount that the Purchaser has withheld in respect of the 116(5.2) Property in excess of such amount.

(5) Where the Purchaser has withheld any amount under Section 3.5(2) and no Certificate of Compliance has been delivered to the Purchaser in respect of the 116(2) Property on or prior to the Remittance Date, or where the Purchaser has withheld any amount under Section 3.5(3) and no Certificate of Compliance has been delivered to the Purchaser in respect of the 116(5.2) Property on or prior to the Remittance Date, such amount shall be remitted by the Purchaser to the Receiver General for Canada for the account of Wabush Iron in accordance with section 116 of the *ITA*.

(6) For the avoidance of doubt, the Purchaser shall not remit any amount referred to in Section 3.5(5) to the Receiver General for Canada before the Remittance Date, as such date may be extended pursuant to Section 3.5(7).

(7) Notwithstanding anything to the contrary in this Section 3.5, if prior to the Remittance Date, the Purchaser has received a comfort letter issued by the CRA in form and substance satisfactory to the Purchaser, acting reasonably, extending the time period under which the Purchaser is required to remit an amount in respect of the Purchase Price for the account of Wabush Iron without being subject to interest or penalties, the Purchaser shall not make any remittance to the Receiver General for Canada on the date that would otherwise be the Remittance Date and the Remittance Date shall be extended indefinitely, or until the Purchaser receives notification from the CRA that such comfort letter is no longer in effect.

(8) Notwithstanding anything to the contrary in this Section 3.5, any amounts withheld by the Purchaser pursuant to this Section 3.5 shall be remitted to and held by the Monitor, in trust for the benefit of Wabush Iron in a Canadian dollar-denominated non-interest bearing deposit account with a Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) until paid out of trust to the Monitor on behalf of Wabush Iron, or remitted to the Receiver General for Canada for the account of Wabush Iron in accordance with this Section 3.5.

(9) Notwithstanding anything to the contrary in this Section 3.5, if, in connection with the delivery of Certificates of Compliance in accordance with Section 3.5(2), (3) or (4), Wabush Iron provides evidence to the Purchaser that the CRA has issued such Certificates of Compliance based on an alternative allocation of the Purchase Price to the allocation agreed to

by the Parties in accordance with Section 3.3 as set forth in Schedule “N”, (the “**Alternative Allocation**”), the amounts required to be remitted to the Receiver General for Canada for the account of Wabush Iron and the amounts required to be paid to the Monitor for the benefit of Wabush Iron pursuant to this Section 3.5 in connection with the delivery of such certificates shall be determined based on such Alternative Allocation. Wabush Iron will inform the Purchaser of any discussions between the CRA and Wabush Iron as it relates to the allocation of the Purchase Price and provide the Purchaser with copies of all correspondence related thereto (subject to such redactions as Wabush Iron determines, acting reasonably, to be appropriate in respect of any tax information of Wabush Iron contained therein).

(10) A copy of any Certificate of Compliance, other certificates, notices, comfort letters, correspondence or any other document sent by any Vendor or the Purchaser, or received by any Vendor or the Purchaser, pursuant to this Section 3.5 shall be sent promptly to the Monitor by the applicable Vendor or the Purchaser.

(11) For greater certainty, the Purchaser shall be entitled to satisfy any withholding provided for under this Section 3.5 by directing the Vendors and the Monitor to retain in escrow with the Monitor the full amount of the Cash Purchase Price (including the Deposit), if the amount permitted to be withheld under this Section 3.5 is equal to or exceeds the Cash Purchase Price.

3.6 Tax Elections.

(1) *Section 167 Election.* If available, at the Closing, each Vendor and the Purchaser shall execute jointly an election under section 167 of the *Excise Tax Act* (Canada) and, if applicable, to have the sale of the Purchased Assets take place on a GST/HST-free basis under Part IX of the *Excise Tax Act* (Canada). The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

(2) *Subsection 20(24) Tax Election.* If applicable, at the Closing or as soon as reasonably practicable thereafter, the Purchaser and the Vendors shall jointly execute and file an election under subsection 20(24) of the *ITA* in the manner required by subsection 20(25) of the *ITA* and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the *ITA* and under any other applicable provincial or territorial statute, as to such amount paid by the applicable Vendors to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendors acknowledge that a portion of the Purchased Assets transferred by each applicable Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *ITA* and the equivalent provisions of any applicable provincial or territorial statute in the relevant election, is being transferred by such Vendor as a payment for the assumption of such future obligations by the Purchaser.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

(5) *ICA.* The Purchaser is a “non-Canadian” within the meaning of section 3 of the *ICA*, and a “WTO investor” within Section 14.1(6) of the *ICA*.

(6) *Excise Tax Act.* The Purchaser is, or upon Closing shall be, registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada), and shall provide its registration number to the Vendors at or prior to Closing.

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

(8) *Sufficient Funds.* The Purchaser has sufficient financial resources or has arranged sufficient financing for it to pay the Cash Purchase Price, the Cure Costs payable by the Purchaser hereunder, and the Transfer Taxes and to procure the Replacement Financial Assurance.

(9) *Replacement Collective Bargaining Agreement.* The Purchaser has entered into a Replacement Collective Bargaining Agreement which is effective no later than Closing and is not assuming and/or becoming the successor in relation to any Employee Plans or obligations or Liabilities related thereto under the Replacement Collective Bargaining Agreement.

4.2 Representations and Warranties of the Parent. As a material inducement to the Vendors entering into this Agreement and completing the transactions contemplated by this

Agreement and acknowledging that the Vendors are entering into this Agreement in reliance upon the representations and warranties of the Parent set out in this Section 4.2, the Parent represents and warrants to the Vendors as follows:

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

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

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

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

4.3 Representations and Warranties of the Vendors. As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendors set out in this Section 4.3 but subject to section 4.4(9) hereof, the Vendors severally represent and warrant to the Purchaser as follows

(1) *Incorporation and Corporate Power.* Wabush Iron is a corporation incorporated, organized and subsisting under the laws of the State of Ohio. Wabush Resources is a corporation incorporated, organized and subsisting under the federal laws of Canada. Wabush Mines is an unincorporated contractual joint venture between Wabush Resources and Wabush Iron. Wabush Lake Railway Company is a corporation incorporated, organized and subsisting under the laws of Newfoundland and Labrador. Subject to the granting of the Approval and Vesting Order, the Vendors have the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and to perform their other obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Vendors.* Subject to the granting of the Approval and Vesting Order, the execution and delivery of this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and the completion of the transactions

contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Vendors.

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

(4) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Vendors enforceable against the Vendors in accordance with its terms.

(5) *Title to the Purchased Assets.* The Vendors own, and have good and marketable title to, the Purchased Assets, and, subject to the granting of the Approval and Vesting Order, the Purchased Assets will be capable of being sold to the Purchaser free and clear of any Encumbrances other than Permitted Encumbrances, and other than the Excluded Assets, no other Person owns any property and assets which are being used in the Business as currently conducted, except for the Mining Leases.

(6) *Mining Rights and Mining Leases.*

(i) To the Vendors' Knowledge, in respect of the Mining Rights listed in Schedule "H" and the Mining Leases listed in Schedules "H" and "L", except as disclosed in (a) the Data Room, (b) the materials filed in the CCAA Proceedings, (c) this Agreement, (d) any real property or mining rights registry in respect of such Mining Rights and such Mining Leases or in any agreement registered in such real property or mining rights registry, and (e) any of such Mining Leases,

a. the Vendors are exclusively entitled to all rights and benefits as lessee, subtenant, occupant or licensee under such Mining Leases, and no Vendor has sublet, assigned, licensed or otherwise conveyed any rights in such Mining Leases to any other Person; and

b. There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would have an adverse effect on the Vendors' interest in such Mining Rights or such Mining Leases.

(7) *Aboriginal Matters.* Except as disclosed in the Data Room, to the Vendors' Knowledge, none of the Vendors (i) are a party to any written arrangement or agreement with an Aboriginal or Innu band, community or group in relation to the environment or development of communities in the vicinity of the Scully Mine; (ii) in the past five (5) years are or have been engaged in any disputes, or negotiations with any Aboriginal or Innu band, community or group in respect of the Scully Mine; or (iii) in the past five (5) years have received notice of any claim in writing, either from an Aboriginal or Innu band, community or group or any Governmental Authority, indicating that the Scully Mine has in any way infringed upon or has an adverse effect on any aboriginal rights or interests.

(8) *Environmental Matters.* To the Vendors' Knowledge, except as disclosed in (a) the Data Room, (b) the materials filed in the CCAA Proceedings, (c) the proof of claim dated December 11, 2015 filed by Her Majesty in Right of Newfoundland and Labrador, and (d) this Agreement, there is no outstanding or threatened material Environmental Claims related to the operation of the Scully Mine.

(9) *Employees.* The Vendors confirm that to the Vendors' Knowledge, as of the Closing Date there are no Unionized Employees under the Expired Collective Bargaining Agreement, and there are no outstanding grievances under the Expired Collective Bargaining Agreement.

(10) *ITA.* The Vendors (other than Wabush Iron) are not non-residents of Canada for purposes of the *ITA*.

(11) *Excise Tax Act.* The Vendors are registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and their GST/HST numbers are:

Wabush Iron:	105566251
Wabush Resources:	881498307
Wabush Lake Railway Company:	105566269

(12) *Commissions.* The Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendors. The Vendors will be responsible for payment of any fees and other amounts charged by the Sale Advisor in connection with the transactions contemplated by this Agreement.

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

(1) except for the representations and warranties of the Vendors set forth in Section 4.3 but subject to subsection (9) hereof, it is entering into this Agreement, acquiring the Purchased Assets, assuming the Assumed Liabilities and agreeing to be responsible for the Environmental Liabilities and the Environmental Obligations on an "as is, where is" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal or any other warranty and at the risk of the Purchaser;

(2) it has had the opportunity to conduct to its satisfaction such independent searches, investigations and inspections of the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations as it deemed appropriate, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;

(3) except as expressly stated in Section 4.3 but subject to subsection (9) hereof, neither the Vendors nor any other Person is making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendors' right, title or interest in or to the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities or the Environmental Obligations, including with respect to merchantability, physical or financial

condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts/and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;

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

(5) without limiting the generality of the foregoing, except as expressly stated in Section 4.3 but subject to subsection (9) hereof, the Vendors have made no representation or warranty as to any regulatory approvals, Permits and Licences, consents or authorizations that may be needed to complete the transactions contemplated by this Agreement or to operate or carry on the Business or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

(6) all written and oral information obtained from any member of the SISP Team or any of the SISP Team's Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in the Data Room, management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities and the Environmental Obligations has been obtained for the convenience of the Purchaser only, and no member of the SISP Team nor any of the SISP Team's Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information;

(7) except as expressly set forth in Section 4.3 but subject to subsection (9) hereof, any information regarding or describing the Purchased Assets, the Business, the Assumed Liabilities, the Environmental Liabilities or the Environmental Obligations in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the SISP Team or any of the SISP Team's Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions;

(8) except as expressly set forth in Section 4.3 but subject to subsection (9) hereof, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against any member of the SISP Team or any of the SISP Team's Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights;

(9) none of the representations and warranties of the Vendors contained in this Agreement shall survive Closing and, subject to Section 9.3(2), the Purchaser's sole recourse for any breach of representation or warranty of the Vendors in Section 4.3 shall be for the Purchaser not to complete the transactions as contemplated by this Agreement and for greater certainty the Purchaser shall have no recourse or claim of any kind against the Vendors, any of the Vendors' Representatives, the SISP Team or any of the SISP Team's Representatives before or after Closing or against the proceeds of the transactions contemplated by this Agreement following Closing; and

(10) this Section 4.4 shall not merge on Closing and is deemed incorporated by reference in all closing documents and deliveries.

ARTICLE 5 EMPLOYEES

5.1 Unionized Employees. The Vendors shall retain all Liabilities for salary, wages, bonuses and vacation pay, overtime pay, contributions to or premiums payable with respect to the Employee Plans, commissions and other compensation accruing prior to the Closing Date. The Vendors retain all Liabilities for any indemnities in lieu of notice and indemnities in lieu of notice of collective dismissal, severance pay and all related costs provided for in Applicable Law in respect of the layoff of all former or current Unionized Employees prior to the Closing Date, whether such Liabilities in respect of the foregoing indemnities and related costs occurred before, during or after the Closing Date, the whole in accordance with Applicable Law and any relevant Governmental Order, including of the Court. The Vendors will be responsible for any amount that becomes payable to a former or current Unionized Employee laid off prior to the Closing Date in respect of the period before the Closing Date, including any Governmental Order to pay back pay, damages, benefits, punitive damages or exemplary damages and all related costs. The Vendors shall also remain liable for severances outstanding as of the Closing Date but, only in respect of the period before the Closing Date. The Vendors shall remain liable for grievances outstanding as of the Closing Date that were in respect of the period before the Closing Date.

5.2 Non-Unionized Employees. The Vendors shall, prior to the Closing Time, terminate the employment of those Non-Unionized Employees Related to the Business effective on the Closing Date, and the Vendors retain all Liabilities for salary, wages, bonuses, overtime pay, contributions to or premiums payable with respect to the Employee Plans, vacation pay, commissions and other compensations accruing on or before the Closing Date prior to the Closing Time, and, severance payments, damages for wrongful dismissal, back pay Governmental Orders, indemnities in lieu of notice, indemnities in lieu of notice of collective dismissal and all related costs in respect of the termination of the employment of all Non-Unionized Employees prior to the Closing Time, whether such Liabilities materialize before, during or after the Closing Date, the whole in accordance with Applicable Law and any relevant Governmental Order, including of the Court. Should the Vendors fail to terminate Non-Unionized Employees in accordance with Applicable Law, the Vendors shall be responsible for any amount that becomes payable to a Non-Unionized Employee terminated prior to the Closing Time, including any Governmental Order to pay back pay, damages, benefits, punitive damages or exemplary damages and all related costs.

5.3 Employee Plans. The Vendors shall retain any and all Liabilities relating to, pursuant to or in connection with any Employee Plan.

5.4 Employee claims and WHSCC. The Vendors shall retain and continue to be responsible for any and all liabilities arising out of or relating to any and all claims of Employees, their dependents and members of their families for any and all injuries sustained as a result of their employment with the Vendors including, without limitation, impairments, industrial diseases, injuries and deaths (including asbestos-related, inhalable dust-related or silica-related claims) arising by reason of any occurrence prior to the Closing Time, whether known or claimed prior to Closing whether or not such claims for damages, losses and compensation are made to the WHSCC or maintained in a legal action. It is expressly agreed and understood that nothing herein contained shall in any way or at any time obligate the Purchasers to compensate any Employees of the Vendors for any such injuries.

ARTICLE 6 COVENANTS

6.1 Covenants Relating to this Agreement. Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and, subject to the directions of the Court, use commercially reasonable efforts with regard to the limited personnel currently employed by the Vendors, to do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall and, where appropriate, shall cause each of its wholly owned Affiliates to:

(1) use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment on or before the Target Closing Date of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and

(2) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.

6.2 Motions for Approval and Vesting Order and Assignment Order. The Vendors shall file with the Court, as soon as practicable following the execution and delivery of this Agreement, a motion seeking the Court's issuance of the Approval and Vesting Order and, if necessary, the Assignment Order. The (i) motion record(s) in connection with the Approval and Vesting Order and Assignment Order shall, by no later than June 16, 2017, be served by the Vendors on the Service List and such other Persons as the Purchaser may reasonably request, and (ii) the Unionized Pension Beneficiary Notice shall, by no later than June 6, 2017 or such later date as the Parties may agree upon, be sent by way of regular mail by Morneau Shepell, administrator of the Unionized Pension Plan, to the members and beneficiaries of the Unionized Pension Plan, and a copy of such Unionized Pension Beneficiary Notice (or a summary thereof) shall be published thereafter in a newspaper of local distribution in Labrador. The Vendors shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and, if necessary, the Assignment Order. The Purchaser shall cooperate and if applicable, shall cause its Designated Affiliate to cooperate with the Vendors in their efforts to obtain the issuance and entry of the Approval and Vesting Order and, if necessary, the Assignment Order. The Purchaser, at its own expense, will

promptly provide (and if applicable, cause its Designated Affiliate to provide) to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably require to obtain the Approval and Vesting Order and, if necessary, the Assignment Order.

6.3 Access During Interim Period. During the Interim Period, the Vendors shall give, subject to any safety restrictions, or cause to be given, to the Purchaser and its Representatives reasonable access during normal business hours to the Purchased Assets, including the Books and Records located at the Scully Mine site, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Purchased Assets as the Purchaser deems reasonably necessary or desirable to further familiarize itself with the Business and the Purchased Assets and in connection with any filings, meetings and proposals made before any Governmental Authority in connection with the consummation of the transactions contemplated under this Agreement. Without limiting the generality of the foregoing, the Purchaser shall be permitted reasonable access during normal business hours to all Books and Records relating to information scheduled or required to be disclosed under this Agreement. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and peril, during normal business hours, and without undue interference with the operations of the care and maintenance activities being conducted at the Scully Mine and the Vendors shall cooperate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.4 Transaction Personal Information. Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall cause its Representatives to observe the terms of this Section 6.4 and to protect and safeguard Transaction Personal Information in their possession in accordance with Privacy Law. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the transactions contemplated by this Agreement. The Purchaser shall not, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information (i) for purposes other than those for which such Transaction Personal Information was collected by any Vendor prior to the Closing and (ii) for a purpose which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

6.5 Risk of Loss. The Purchased Assets shall be at the risk of the Vendors until Closing. If before the Closing (i) the Processing Plant is damaged or destroyed and the replacement cost in relation to such damage or destruction (as determined by the Purchaser, acting reasonably) is greater than \$5,000,000 or (ii) a material portion of the Purchased Assets are expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure shall have been given in accordance with Applicable Law, the Vendors shall promptly provide notice to the Purchaser in writing of any such destruction, expropriation or seizure, and the Purchaser, in its discretion, acting reasonably, shall have the option, exercisable by notice to the Vendors given prior to the Closing Time to promptly terminate this Agreement and to not complete the transactions contemplated by this Agreement, as provided in Section 9.1(2).

6.6 Care and Maintenance during Interim Period. During the Interim Period, the Vendors shall continue to maintain, care for and preserve the Purchased Assets, in

substantially the same manner as conducted on the date of this Agreement and the Vendors will not remove any of the Purchased Assets from the Scully Mine, the Owned Real Property or the property subject to the Real Property Leases. In addition, during the Interim Period, the Vendors shall not without the prior written consent of the Purchaser, directly or indirectly, cause Knoll Lake to (i) make any changes to its constating documents, (ii) effect any dissolution, winding-up, liquidation or termination, or (iii) make any dividend or profit sharing distribution or similar payment of any kind.

6.7 Indemnity. The Purchaser hereby indemnifies the Vendors, the Vendors' Affiliates and their respective Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (1) any Transfer Taxes (including penalties and interest) which may be assessed against any Vendor, including any Taxes which may be assessed against any Vendor in the event that any election made pursuant to Section 3.6 is challenged by the relevant Governmental Authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;
- (2) any Post-Closing Assigned Contract Costs; and
- (3) the Purchaser's access in accordance with Section 6.3.

For greater certainty, if any Transfer Taxes (including interest and penalties) are assessed against one or more of the Vendors by a Governmental Authority, such Vendor(s) shall forthwith send the Purchaser a copy of any written notice or documentation from such Governmental Authority indicating the amount of Transfer Taxes that were assessed. The Purchaser (i) shall indemnify the Vendor(s) for the assessed amounts pursuant to Section (1) and forthwith provide the Vendor(s) with written confirmation of same and pay the amount of any assessment for Transfer Taxes to the relevant Governmental Authority pending challenge of such assessment, and (ii) provided that the Purchaser has provided the written confirmation and paid such assessed amount pursuant to the foregoing clause (i), shall have the sole and exclusive right, at its own expense, to assume or direct a challenge of such assessment, including the pursuit of the compromise or settlement of the challenge and the conduct of any related legal, administrative or other similar proceedings. Subject to Section 10.7, the Vendors shall use commercially reasonable efforts to cooperate with the Purchaser in relation to the challenge. Any refunds obtained from the Governmental Authorities in connection with such challenge shall belong solely to the Purchaser.

6.8 Books and Records. The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor and the Vendors, their respective successors, and any trustee in bankruptcy or receiver of the Vendors, and shall permit any of the foregoing persons to take copies of such Books and Records as they may require. As soon as practicable following Closing and in any event no later than thirty (30) days following Closing, the Vendors shall deliver, at the cost of the Vendors, (i) an electronic copy of all of the materials relating to the Purchased Assets on the Wabush data room established in connection with the transactions contemplated under this Agreement (the

“Data Room”), and such materials available on such electronic copy shall be unlocked, unprotected and fully available to the Purchaser, and (ii) the minute books of Knoll Lake. Until such electronic copy is provided to the Purchaser, the Vendors shall permit access to such materials on such Data Room. The Purchaser acknowledges and agrees that the minute books of Knoll Lake are the property of Knoll Lake and are only being delivered to the Purchaser following Closing as the Purchaser is acquiring the Shares.

6.9 Environmental Liabilities and Vendor Surety Bonds. The Purchaser acknowledges and agrees that upon Closing, the Purchaser shall become responsible for the payment, performance and discharge of the Environmental Liabilities. The Purchaser also acknowledges that prior to Closing, the Purchaser will undertake, on a commercially reasonable efforts basis, steps to obtain the agreement, authorization or approval of the Minister of Natural Resources under the *Mining Act* (Newfoundland and Labrador) as soon as reasonably possible following the date hereof, for the Purchaser Closure Plan, all as may be required by the applicable Governmental Authorities, and the cancellation on Closing of the Vendor Closure Plan and any Liabilities related to such Vendor Closure Plan (such steps being the “**Environmental Obligations**”).

6.10 Certain Information Technology Assets. With respect to any information technology assets Related to the Business to be acquired by the Purchaser hereunder (such as desktops, laptops, mobile phones, servers and related hardware) (collectively, “**Hardware**”), the Purchaser will co-operate with the Vendors, if the Vendors so request and at the Vendors’ cost and expense, in causing data contained or stored in such Hardware not Related to the Business, the Purchased Assets, the Assumed Liabilities, or the Environmental Obligations to be removed from such Hardware in a manner reasonably satisfactory to the Vendors prior to the Closing Date or within a reasonable period of time thereafter, provided that such removal shall be carried out in a manner that does not damage or otherwise interfere with any data contained or stored in such Hardware Related to the Business or primarily relating to the Purchased Assets. Any third party provider selected by the Purchaser and the Vendors to provide such services shall be agreed upon by the Purchaser and the Vendors, acting reasonably.

6.11 Trademarked and Branded Assets. With respect to any Purchased Assets to be acquired by the Purchaser hereunder bearing any trademarks, business names, logos or other branding of Cliffs Natural Resources Inc. (excluding, for greater certainty, any rights, title and interests in and to the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) which shall form part of the Purchased Assets) (collectively, “**Proprietary Marks**”), such Proprietary Marks do not form part of the Purchased Assets. The Purchaser will co-operate with the Vendors, at the Purchaser’s reasonable cost and expense, in removing, dismantling and/or destroying such Proprietary Marks on or contained in any of the Purchased Assets, to the satisfaction of the Vendors, acting reasonably, and nothing in this Agreement shall be construed as a licence by the Vendors to the Purchaser of any Intellectual Property that does not form a part of the Purchased Assets. From and after Closing, the Vendors shall not, and shall cause their Affiliates not to, use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) for any commercial purpose. Notwithstanding the foregoing, (i) the Vendors and/or their Affiliates shall be entitled to continue to use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) for purposes of the CCAA Proceedings or any subsequent bankruptcy of any of the CCAA Parties, and (ii) the Access Parties (as such term is defined in the Access Agreement) shall be permitted to use the name “Wabush Mine”, “Scully Mine”, “Wabush Scully Mine” or any variation thereof (in any language) in relation to the Activities (as

such term is defined in the Access Agreement), in accordance with the terms of the Access Agreement.

6.12 Nalco-Javelin (Mineral Lands) Act no. 84 1957 (as amended). From and after the Closing Date, the Purchaser shall pay to the applicable Governmental Authority all amounts required to be paid by section 7 of the June 28, 1957 Statutory Agreement, as amended, attached as a schedule to the Nalco-Javelin (Mineral Lands) Act No. 84 of 1957, as amended.

6.13 Mining Act. Each Party shall, as promptly as possible, (i) make, or cause or be made, all filings and submissions (including those under the *Mining Act* (Newfoundland and Labrador)), as applicable, required under any Law applicable to such Party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each Party shall cooperate reasonably with the other Party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders, approvals and clearance certificates. The Parties shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

6.14 Cooperation and Consultation with Governmental Authorities. The Vendors shall, to the extent reasonably requested by the Purchaser, at their own cost and on a commercially reasonable basis with regard to the limited personnel currently employed by the Vendors, cooperate with the Purchaser and participate, either directly or through their counsel or consultants, in calls, in-person meetings and other exchanges with Governmental Authorities that are reasonably necessary in connection with the consummation of the transactions contemplated hereunder.

6.15 Guarantee. The Parent hereby absolutely, unconditionally and irrevocably guarantees to each of the Vendors the due, complete and punctual observance and performance of each and every obligation (the "**Obligations**") of the Purchaser under this Agreement arising on or before Closing, including the obligation to pay the Cash Purchase Price, the Cure Costs payable by the Purchaser hereunder and the Transfer Taxes and, subject to satisfaction or waiver of the condition precedent in Section 8.1(8), to procure the Replacement Financial Assurance. The guarantee hereinbefore referred to is called the "**Guarantee**". The Parent agrees to be jointly and severally liable with the Purchaser for the due and punctual performance of each of the Obligations. This Guarantee shall be an obligation for full and prompt performance rather than a secondary guarantee of collectability and can be enforced against the Parent directly as a primary obligor without taking action to enforce this Agreement against the Purchaser. None of the Obligations shall be limited, lessened or released, nor shall the Guarantee be discharged, by the recovery of any judgment against the Purchaser except to the extent of such recovery, by any voluntary or involuntary liquidation, dissolution, winding-up, merger or amalgamation of the Purchaser, by any sale or other disposition of all or substantially all of the assets of the Purchaser or by judicial or extra judicial receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or other proceedings affecting the Purchaser. The Obligations shall continue unaffected by any change in the name of the Purchaser or by any change whatsoever in the objects, capital structure or constitution of the Purchaser, or by the Purchaser being amalgamated, merged or otherwise combined with another corporation or by any defect in the authorization, execution or delivery by the Purchaser of this Agreement or any other agreement or instrument executed and delivered by the Purchaser pursuant to this

Agreement which may result in unenforceability of any Obligations in respect of which the Guarantee is provided pursuant to this Section 6.15 against the Purchaser. The Parent acknowledges that each of the Vendors has required, as a condition for its entry into this Agreement, that the Parent executes this Agreement and be bound by the terms of this Section 6.15. Notwithstanding any payment made by the Parent under this Agreement or any setoff, compensation or application of funds of the Parent by the Vendors, the Parent shall have no right of subrogation to, and waives, any right to enforce any remedy which the Vendors now have or may hereafter have against the Purchaser, until all of the Obligations have been indefeasibly paid or performed in full; and until that time, the Parent waives any benefit of, and any right to participate in, any right or remedies now or hereafter held by the Vendors for the Obligations. For greater certainty, in the event that there has been a material breach by the Purchaser or the Parent of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors, the Vendors may choose to either (i) enforce the Guarantee and complete the transactions contemplated by this Agreement, or (ii) in accordance with Section 9.3(1), terminate this Agreement and retain the Deposit.

6.16 Exclusive Dealing. During the Interim Period, the Vendors shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or enter into any agreement with, any Person (other than Purchaser) relating to any transaction involving the Purchased Assets. For greater certainty, the obligation of the Vendors under this Section 6.16 expires upon the earlier of Closing or termination of this Agreement pursuant to Section 9.1.

ARTICLE 7 CLOSING ARRANGEMENTS

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

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

- (1) the Purchased Assets, with such delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (2) a true copy of the Approval and Vesting Order;
- (3) the General Conveyance, duly executed by the Vendors;
- (4) the Access Agreement, duly executed by the Vendors and the Monitor;
- (5) all consents to the assignment of the Assigned Contracts and Permits and Licences, to the extent obtained by the Vendors prior to Closing;
- (6) all consents to the assignment of the Critical Permits and Licences, to the extent the Purchaser has not obtained permits and licences to replace Critical Permits and Licences;

- (7) a true copy of the Assignment Order granted by the Court, if any, in respect of any Assigned Contracts (other than Additional Non-Assignment Order Assigned Contracts) for which consents to assignment were required which have not been obtained;
- (8) the Assignment and Assumption Agreement, duly executed by the Vendors;
- (9) the Deed(s) of Sale (and any affidavits required to be appended thereto for purposes of registration), duly executed by the applicable Vendors;
- (10) the Mining Rights Transfer(s), duly executed by the applicable Vendors;
- (11) a bring-down certificate executed by a senior officer of each of the Vendors dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that (i) all of the representations and warranties of such Vendor hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by such Vendor at or prior to Closing have been complied with or performed by such Vendor in all material respects;
- (12) if applicable, the documents or elections referred to in Section 3.6(1);
- (13) clearance letter from the WHSCC in respect of Wabush Mines;
- (14) (i) the resignation of the Vendors' nominees as officers of Knoll Lake and as directors to the board of directors of Knoll Lake, and (ii) evidence of the appointment of Purchaser's nominees to such board of directors by the filling of two or more of the vacancies therein, all in a manner satisfactory to the Parties, acting reasonably, and pursuant to resolutions passed at a board meeting of Knoll Lake duly called for such purpose;
- (15) the resignation of the Vendors' nominees as officers of Northern Lands and as directors to the board of directors of Northern Lands;
- (16) with respect to the Northern Land Indebtedness, a full and final release by Wabush Iron in favour of Northern Land and each of the shareholders of Northern Land, of any and all rights of reimbursement of Wabush Iron in respect of the Northern Land Indebtedness, in form and substance satisfactory to the Purchaser, acting reasonably; and
- (17) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, or as are required to be delivered by the Vendors or Vendors' counsel under this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.3 Purchaser's Closing Deliveries. At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendors (or as otherwise indicated below), the following:

- (1) the payment referred to in Section 3.2(2), which shall be made to the Monitor;
- (2) the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Monitor;
- (3) the payment of all Cure Costs payable by the Purchaser hereunder shall be made to the Monitor;
- (4) with respect to each Assigned Contract with respect to which a consent to assignment has been obtained, a full and final release, in form and substance satisfactory to the Vendors, acting reasonably, by the applicable counterparty in favour of the applicable Vendor(s) of (i) all amounts to be paid to remedy all of the monetary defaults in relation to such Assigned Contract, and (ii) all amounts accruing and owing but not yet payable or due by such Vendor(s) under or pursuant to such Assigned Contract;
- (5) the General Conveyance, duly executed by the Purchaser;
- (6) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (7) the Access Agreement, duly executed by the Purchaser;
- (8) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendors, acting reasonably, certifying that (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (9) a bring-down certificate executed by a senior officer of the Parent dated as of the Closing Date, in form and substance satisfactory to the Vendors, acting reasonably, certifying that (i) all of the representations and warranties of the Parent hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Parent at or prior to Closing have been complied with or performed by the Parent in all material respects;
- (10) if applicable, the documents or elections referred to in Section 3.6(1);
- (11) the Deed(s) of Sale, duly executed by the Purchaser;
- (12) the Mining Rights Transfer(s), duly executed by the Purchaser; and
- (13) such other agreements, documents and instruments and Deeds of Sale as may be reasonably required by the Vendors to complete the transactions provided for in this Agreement, or as are required to be delivered by the Purchaser or the

Purchaser's counsel under this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Purchaser's Conditions. The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part, such waiver to be binding on the Purchaser only if made in writing:

- (1) *Assigned Contracts Consents.* All consents necessary to assign the Assigned Contracts (other than the Additional Non-Assignment Order Assigned Contracts) to the Purchaser (or its Designated Affiliate, if applicable) shall have been obtained, or an Assignment Order shall have been issued and entered by the Court ordering the assignment of such Assigned Contracts where necessary consents have not been obtained, and any such Assignment Order shall not have been vacated, amended or stayed.
- (2) *Vendors' Deliveries.* The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (3) *No Violation of Governmental Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (4) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.3 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.
- (5) *No Breach of Covenants.* The Vendors shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendors on or before the Closing.
- (6) *Required Regulatory Approval.* The Required Regulatory Approval shall have been obtained.
- (7) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court on notice and to a service list reasonably acceptable to the Parties, and such Approval and Vesting Order shall not have been vacated, amended or stayed.

- (8) *Replacement Financial Assurance.* On or before the Replacement Financial Assurance Condition Date, the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance.

The Vendors and the Purchaser shall take all such commercially reasonable actions, steps and proceedings as are reasonably within their control, subject to the CCAA and any Governmental Order of the Court, as may be necessary to ensure that the conditions listed above in this Section 8.1 are fulfilled at or before the Closing Time.

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

- (1) *Court Approval.* The Approval and Vesting Order shall have been issued and entered by the Court and shall not have been vacated, set aside or stayed.

- (2) *Required Regulatory Approval.* The Required Regulatory Approval shall have been obtained.

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

- (4) *No Violation of Governmental Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Governmental Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

- (5) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1 and Section 4.2 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.

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

- (7) *Vendor Surety Bonds.* The Vendors shall have obtained evidence satisfactory to the Vendors that all Vendor Surety Bonds have been cancelled or will be cancelled immediately after Closing and that the Vendors are no longer bound by the Vendor Closure Plan or will, immediately after Closing, no longer be bound by the Vendor Closure Plan.

(8) *Cure Cost Threshold.* The Cure Costs in respect of any Assigned Contract do not exceed the applicable Cure Cost Threshold unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold.

(9) *Replacement Financial Assurance.* On or before the Replacement Financial Assurance Condition Date, the Purchaser shall have provided evidence acceptable to the Vendors, acting reasonably, that the Purchaser and the Government of Newfoundland and Labrador, Department of Natural Resources shall have agreed as to the form, substance and amount of the Replacement Financial Assurance.

(10) *Northern Land ROFR Waiver.* The Vendors shall have received the Northern Land ROFR Waiver on or before execution of this Agreement.

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

ARTICLE 9 TERMINATION

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

- (1) by the mutual written agreement of the Vendors and the Purchaser, provided however, that if the Approval and Vesting Order has been issued and entered by the Court, any such termination shall require either the consent of the Monitor, or approval of the Court;
- (2) by written notice from the Purchaser to the Vendors in accordance with Section 6.5;
- (3) by the Purchaser, on the one hand, or by the Vendors, on the other hand, upon written notice to the other Parties if (i) the Approval and Vesting Order has not been obtained by the Approval and Vesting Order Deadline Date, (ii) the Court declines at any time to grant the Approval and Vesting Order, or (iii) the Required Regulatory Approval (to the extent applicable) is not obtained by the Outside Date, in each case for reasons other than a breach of this Agreement by either the Purchaser or the Parent, on the one hand, or the Vendors, on the other hand;

- (4) by written notice from the Purchaser to the Vendors if there has been a material breach by the Vendors of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 impossible by the Outside Date, or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendors, and such breach has not been cured within five (5) days following the date upon which the Vendors received such notice;
- (5) by written notice from the Purchaser to the Vendors any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided, for reasons other than as set out in Section 9.1(3), and such failure to close was not caused by or as a result of the Purchaser's or the Parent's breach of this Agreement;
- (6) by written notice from the Vendors to the Purchaser if the Cure Costs in respect of any Assigned Contract exceed the applicable Cure Cost Threshold, unless the Purchaser agrees to pay all such Cure Costs in excess of the applicable Cure Cost Threshold;
- (7) by written notice from the Vendors to the Purchaser if there has been a material breach by the Purchaser or the Parent of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.2 impossible by the Outside Date, or (ii) if such breach is curable, the Vendors have provided prior written notice of such breach to the Purchaser, and such breach has not been cured within five (5) days following the date upon which the Purchaser received such notice;
- (8) by written notice from the Vendors to the Purchaser any time after the Outside Date, if the Closing has not occurred at the time such written notice is provided for reasons, other than as set out in Section 9.1(3), and such failure to close is not caused by or as a result of the Vendors' breach of this Agreement; or
- (9) by written notice (i) from the Vendors to the Purchaser if the condition set out in Section 8.2(9) has not been satisfied or waived by the Vendors by the Replacement Financial Assurance Condition Date, or (ii) from the Purchaser to the Vendors if the condition set out in Section 8.1(8) has not been satisfied or waived by the Purchaser by the Replacement Financial Assurance Condition Date.

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 6.4 (*Transaction Personal Information*), 6.7 (*Indemnity*), 6.15 (*Guarantee*) 9.2 (*Effect of Termination*), 9.3 (*Treatment of Deposit*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.8 (*Entire Agreement*), 10.9 (*Amendment*), 10.11 (*Severability*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Monitor's Capacity*), 10.19 (*Third Party Beneficiaries*) and 10.21 (*Language*), which shall survive such termination.

9.3 Treatment of Deposit.

(1) *Retention of Deposit.* In the event that this Agreement is terminated by the Vendors pursuant to Section 9.1(7), the Deposit shall be forfeited by the Purchaser and retained by the Monitor on behalf of the Vendors as a genuine estimate of liquidated damages, and not as a penalty. In such event, the retention of the Deposit shall be the Vendors' sole and exclusive remedy for any termination of this Agreement.

(2) *Return of Deposit.* In the event that this Agreement is terminated other than as in the circumstances contemplated Section 9.1(7), the Deposit shall be promptly returned to the Purchaser by the Monitor. The return of the deposit shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement.

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

ARTICLE 10 GENERAL

10.1 Survival. All representations, warranties, covenants and agreements of the Vendors or the Purchaser and the Parent made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement. For greater certainty, the following sections shall survive Closing: 2.2 (*Assumption of Assumed Liabilities*), 2.3(6) (*No Adjustment*), 2.3(8) (*Intercompany Corporate Services*), 2.4(4) (*Post-Closing Assignment*), 3.3 (*Allocation of Purchase Price*), 3.4 (*Taxes*), 3.5 (*Section 116 of ITA*), 3.6 (*Tax Elections*), 4.3(12) (*Commissions*), 4.4 (*As is, Where is*), 5.1 (*Unionized Employees*), 5.2 (*Non-Unionized Employees*), 5.3 (*Employee Plans*), 6.4 (*Transaction Personal Information*); 6.7 (*Indemnity*); 6.8 (*Books and Records*), 6.9 (*Environmental Liabilities and Vendor Surety Bonds*), 6.10 (*Certain Information Technology Assets*), 6.11 (*Trademarked and Branded Assets*), 6.12 (*Nalco-Javelin (Mineral Lands) Act no. 84 1957*), 6.15 (*Guarantee*), 8.3 (*Monitor's Certificate*), 9.3 (*Treatment of Deposit*), 10.1 (*Survival*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.5 (*Time of Essence*), 10.6 (*Further Assurances*), 10.7 (*Post-Closing Wind-Up of CCAA Proceedings*), 10.8 (*Entire Agreement*), 10.9 (*Amendment*), 10.10 (*Waiver*), 10.11 (*Severability*), 10.12 (*Remedies Cumulative*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Monitor's Capacity*), 10.19 (*Third Party Beneficiaries*) and 10.21 (*Language*).

10.2 Expenses. Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers). Notwithstanding the forgoing, the cost of retaining a notary and a land surveyor, if necessary, in connection with the preparation of the legal descriptions of the Owned Real Property, real property subject to the Real Property Leases and the Mining Rights shall be borne by the Purchaser.

10.3 Public Announcements. The Vendors shall be entitled to disclose this Agreement and all information provided by the Purchaser and/or the Parent in connection herewith to the Court and parties of interest in the CCAA Proceedings, and a copy of this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. The Vendors and the Purchaser and the Parent shall not issue (prior to or after the Closing) any press release or make (i) any derogatory public statement or derogatory public communication with respect to any of the Parties or (ii) any public statement or public communication with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed, provided, however, that a Party may, without the prior consent of the other Parties, issue such press release or make such public statement as may, upon the advice of counsel, be required by Applicable Law or by any Governmental Authority with competent jurisdiction including any applicable securities Laws. Notwithstanding any other provision of this Agreement, unless such information is otherwise publicly disclosed or, upon the advice of counsel, required by Applicable Law or by any Governmental Authority to be disclosed (including in any Tax Returns), the Purchaser and the Parent shall not disclose the quantum of the Purchase Price, Cash Purchase Price, Deposit or allocation of Purchase Price as set out in Schedule "N" to any Person without the prior written consent of the Vendors and the Monitor.

10.4 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(2) if to the Vendors, to:

Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Lake Railway
Company Limited
c/o 199 Bay Street, Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

Attention: James Graham, General Counsel and Secretary /
Clifford T. Smith, Officer

Email: James.Graham@CliffsNR.com / Clifford.Smith@CliffsNR.com

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

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

Attention: Thomas A. McKee/ Milly Chow

Email: tom.mckee@blakes.com / milly.chow@blakes.com

(3) if to the Purchaser or the Parent, to:

c/o Tacora Resources Inc.

102 NE 3rd Street
Suite 120
Grand Rapids, Minnesota 55744
Attention: Joe Broking
Email: joe.broking@magnetation.com

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

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street,
Toronto, ON M5L 1B9
Attention: John Ciardullo / Amanda Linett
Email: jciardullo@stikeman.com / alinett@stikeman.com

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

FTI Consulting Canada Inc.
TD South Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8
Attention: Nigel Meakin
Email: nigel.meakin@fticonsulting.com

and

Norton Rose Fulbright Canada LLP
1 Place Ville Marie, Suite 2500
Montréal, QC H3B1R1
Attention: Sylvain Rigaud
Email: sylvain.rigaud@nortonrosefulbright.com

(5) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

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

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

10.6 Further Assurances. The Vendors and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably

require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.7 Post-Closing Wind-Up of CCAA Proceedings. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall operate to restrict in any way the rights of the Vendors to distribute any of their assets or otherwise wind up the CCAA Proceedings as they may determine in their sole discretion after the Closing, even if doing so may impair the Vendors' ability to provide or perform any further cooperation, assistance or further assurances as may otherwise be provided under this Agreement.

10.8 Entire Agreement. Other than the Confidentiality Agreement among each of the Vendors and the Purchaser dated January 17, 2017 (the "**Confidentiality Agreement**"), this Agreement and the agreements contemplated hereby constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement. The Parties acknowledge and agree that effective as at Closing, the Confidentiality Agreement shall be mutually terminated and that neither Party shall have any further obligations thereunder.

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

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

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

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

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

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

may direct. Without prejudice to the ability of the Vendors or the Purchaser to enforce this Agreement in any other proper jurisdiction, the Purchaser and the Vendors irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of Québec.

10.15 Attornment. Each Party agrees (i) that any Legal Proceeding relating to this Agreement may (but need not) be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (ii) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (iii) not to oppose the enforcement against it in any other jurisdiction of any Governmental Order duly obtained from the Court as contemplated by this Section 10.15. Each Party agrees that service of process on such Party as provided in Section 10.4 shall be deemed effective service of process on such Party.

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

10.17 Assignment. Prior to the issuance of the Approval and Vesting Order, the Purchaser may assign all of its rights and obligations under this Agreement to an Affiliate, provided that (i) the Purchaser shall remain liable to perform all of its obligations hereunder, and (ii) the Purchaser and its assignee execute and deliver to the Vendors an assignment and assumption agreement, in form and substance satisfactory to the Vendors, acting reasonably, evidencing such assignment. Other than in accordance with the preceding sentence, neither the Purchaser nor the Parent may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

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

10.19 Third Party Beneficiaries. Except as set forth in Section 4.4(3) in respect of any Person, Section 4.4(4), Section 4.4(6), Section 4.4(7), Section 4.4(8) and Section 4.4(9) in respect of the SISP Team or any of the SISP Team's Representatives, Section 6.7 in respect of the Vendors' Affiliates and the Representatives of the Vendors and the Vendor's Affiliates and Section 6.8 in respect of the Monitor, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement; provided that in respect of Section 6.7, each of the Parties hereby appoints the Vendors or any subsequent duly authorized representative of the Vendors or trustee in bankruptcy of the Vendors as the trustee(s) for each of the Persons specified in Section 6.7 of the confirmations and covenants of the Purchaser with respect to such Persons and the Vendors hereby accept such appointment.

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

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

[SIGNATURE PAGE TO FOLLOW]

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

WABUSH IRON CO. LIMITED

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

I have authority to bind the corporation

WABUSH RESOURCES INC.

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

I have authority to bind the corporation

WABUSH LAKE RAILWAY COMPANY LIMITED

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

I have authority to bind the corporation

TACORA RESOURCES INC.

By: _____
Name:
Title:

I have authority to bind the corporation.

MAGGLOBAL LLC

By: _____
Name:
Title:

I have authority to bind the corporation.

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

WABUSH IRON CO. LIMITED

By: _____
Name:
Title:

I have authority to bind the corporation

WABUSH RESOURCES INC.

By: _____
Name:
Title:

I have authority to bind the corporation

WABUSH LAKE RAILWAY COMPANY LIMITED

By: _____
Name:
Title:

I have authority to bind the corporation

TACORA RESOURCES INC.

By: Larry Lehtinen
Name: Larry Lehtinen
Title: CEO

I have authority to bind the corporation.

MAGGLOBAL LLC

By: Larry Lehtinen
Name: Larry Lehtinen
Title: CEO

I have authority to bind the corporation.

SCHEDULE “N”

ALLOCATION OF PURCHASE PRICE

	Wabush Iron	Wabush Resources	Wabush Lake Railway
Real Property	Nil	Nil	Nil
Real Property Leases	Nil	Nil	Nil
Personal Property (not including inventory or raw materials, but including supplies)			
(i) mobile fleet	Nil.	Nil.	Nil
(ii) machinery and equipment	Nil.	Nil.	Nil
(iii) Manganese Reduction Equipment	Nil.	Nil.	Nil
(iv) mining infrastructure	\$640,625.40	\$1,747,095.06	Nil
(v) Processing Plant	\$601,106.34	\$1,639,319.82	Nil
(vi) buildings and improvements	\$143,315.86	\$390,846.88	Nil
(vii) all other Personal Property	\$137,455.40	\$374,864.38	Nil
Total Personal Property (items (i) to (vii) above) (not including inventory or raw materials, but including supplies)	\$1,522,503.00	\$4,152,126.14	Nil
Inventory (not including real property) and raw materials	\$4,057,044.15	\$11,064,252.47	Nil
Intellectual Property	Nil	Nil	Nil
Knoll Lake Shares	Nil	Nil	Nil
Northern Land Shares and Northern Land Indebtedness	Nil	\$1.00	Nil

Total:	\$5,579,547.15	\$15,216,379.61	Nil
		Grand Total:	\$20,795,926.76

Computation of Purchase Price:

1.	Cash Purchase Price:	\$2,050,000
2.	Agreed Value of Assumed Liabilities:	Nil
3.	Agreed value of payment of Cure Costs:	\$18,745,926.76
	Grand Total:	\$20,795,926.76