

July 12, 2018

**Re: Contributory Pension Plan for Salaried Employees of Wabush Mines, Cliffs Mining Company, Managing Agent, Arnaud Railway Company, and Wabush Railway Company, Limited (the "Plan")
(Newfoundland and Labrador Superintendent of Pensions Registration #021314)**

Dear Plan Member/Former Member:

As has been previously communicated, in May of 2015, Wabush Iron Co. Limited, Wabush Resources Inc. and certain of their affiliates, including Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited (collectively the "Wabush Group") entered into proceedings under the Companies' Creditor Arrangement Act ("CCAA").

In June of 2018, the CCAA plan of arrangement relating to the settlement of the Wabush Group's assets and debts successfully passed a vote by the various creditors. The CCAA plan of arrangement will result in the Plan receiving \$18 million, which will significantly improve the funded percentage of the Plan.

Current indications suggest that the CCAA monies will be paid to the Plan in August or September of 2018. As such, the settlement of all pension benefits under the Plan is being deferred until the CCAA monies are received. Deferring settlement will allow for easier communication between all parties involved in the wind-up of the Plan. Further, it will be more cost effective to the Plan when compared to the alternative of settling partial pension benefits now with a second distribution occurring later in the year.

Please note that this letter is in regards to the settlement of your pension entitlements under the Plan only. Any settlement distribution in respect of OPEBs (Other Post-Employment Benefits) or other claims that you may be entitled to under the CCAA plan of arrangement that was approved by the Court will be addressed separately and the communication sent to you regarding such will be from the Monitor of the CCAA proceedings in accordance with the provisions of the CCAA plan of arrangement.

Frequently Asked Questions

Will my settlement election* apply to any additional CCAA monies received?

The settlement election* that you made (which was due to be returned to Morneau Shepell by June 5, 2018) applies to all benefits payable to you. There is no opportunity to revise your election.

**Note that retired Plan members who are governed by Newfoundland and Labrador or federal jurisdiction were not required to make a settlement election*

Will my pension payments be increased before settlement?

Your pension will continue to be paid based on the same % amount as your current payment until the time of settlement. (Note that the dollar amount may still be subject to change due to change in bridge or personal status.) At settlement, your monthly pension payments will be adjusted to reflect the funded percentage at settlement, with any necessary adjustments for any underpayments or overpayment since the wind-up date (see next question).

What happens if I have been overpaid or underpaid?

An adjustment will be made for pension benefits paid at a different percentage from the final funded percentage at settlement between the wind-up date (December 16, 2015) and the settlement date.

- If underpaid, you will receive a one-time additional payment with interest (less withholding taxes)
- If overpaid, the overpayment will be recovered over your expected future lifetime by purchasing a slightly smaller monthly pension for you

How do I know if my complete election documents* are complete?

We are in the process of reviewing all returned election documents and anticipate having our records updated by the middle of July 2018. By this time, we should know if your returned election documents included all necessary information and we will be contacting you if any information or forms are missing. If you are not contacted by our office, then your election documents are complete.

**Note that retired Plan members who are governed by Newfoundland and Labrador or federal jurisdiction were not required to make a settlement election*

Your Contact Information

If you have a change in mailing address, please contact Morneau Shepell to advise us of the change so that future communications regarding the Plan reach you in a timely manner.

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If you have any questions, please contact our office at our toll free number 1-855-465-5266 or WabushSalaried@morneaushepell.com.

Further, copies of any communications or presentation relating to the wind-up of the Plan are available at the following website: www.pensionwindups.morneaushepell.com

Yours truly,

MORNEAU SHEPELL LTD.

In its capacity as Administrator of the Plan and not in its personal capacity.