

**DIRECTOR'S ORDER to
Submit a Closure Plan to Rehabilitate Site
Mining Act, R.S.O.1990, c. M.14, subs. 147(1)**

Order Number: 1-236972311

**TO: Algoma Ferrous Industries Inc.
6745 Century Avenue Unit 3
Mississauga, Ontario L5N 6P7**

**CC: Wishart Law Firm LLP
390 Bay Street, Suite 500
Sault Ste. Marie, Ontario P6A 1X2**

PART 1. LEGAL AUTHORITY AND REASONS

- 1.1. Pursuant to subsection 139 (1) of the *Mining Act* (the "**MA**"), R.S.O. 1990, c. M. 14, "proponent" means the holder of an unpatented mining claim or licence of occupation, or an owner as defined in section 1.
- 1.2. Pursuant to subsection 1(1) of the MA, "owner" when used in Parts VII, IX, and XI of the MA, includes:
 - (a) every current owner, lessee or occupier of all or part of a mine, mine hazard or mining lands,
 - (b) an agent of the current owner, lessee or occupier, or a person designated by the owner, lessee, occupier, or agent as being responsible for the control, management and direction of all or part of a mine, mine hazard or mining lands, and
 - (c) subject to subsections (4) to (13), a secured lender who enters into possession of all or part of a mine, mine hazard or mining lands pursuant to the security it holds with respect to the mine, mine hazard or mining lands.
- 1.3. Pursuant to subsection 1(1) of the MA, "mine hazard" means any feature of a mine, or any disturbance of the ground, that has not been rehabilitated to the prescribed standard.
- 1.4. Pursuant to subsection 1(1) of the MA, "mining lands" includes the lands and mining rights patented or leased under or by authority of a statute, regulation, or order in council, respecting mines, minerals or mining; lands or mining rights that are located, registered as a mining claim or used or intended to be used for mining purposes; and surface rights granted solely for mining purposes.

- 1.5. Pursuant to subsection 153.3(1) of the MA, a lessee or patentee of mining rights is, unless a contrary intention is shown, liable in respect of the rehabilitation under Part VII of all mine hazards on, in or under the lands, regardless of when and by whom the mine hazards were created.
- 1.6. Subsection 147(1) of the MA provides that the Director of Mine Rehabilitation (the “**Director**”) may, in writing, order any proponent of any lands on which a mine hazard exists or any prior holder of an unpatented mining claim on any such lands, other than a current or prior holder of an unpatented mining claim with respect to a mine hazard that was created by others prior to the registration of the claim and that has not been materially disturbed or affected by the current or prior holder, as the case may be, since the registration of the claim, to submit within the time specified in the order a closure plan to rehabilitate the site or mine hazard, and the proponent or prior holder shall submit the closure plan within that time or any extension of time granted by the Director.
- 1.7. Pursuant to subsection 139(1) of the MA, “closure plan” means a plan prepared under Part VII to rehabilitate a site or mine hazard.
- 1.8. The mining lands and mine hazards associated with a former iron mine and related surface facilities, including, among others, the properties commonly referred to as the Victoria Pit, the George W. MacLeod Mine, or collectively the MacLeod Mine, are located in the Algoma District, northeast of Wawa, Ontario. These lands were formerly owned by Old Steelco Inc., under prior and predecessor names Essar Steel Algoma Inc. and Algoma Steel Inc. (collectively, including corporate predecessors, “**Old Steelco**”).
- 1.9. A mine production closure plan, with Old Steelco (then under the name Algoma Steel Inc.) as the named proponent, was prepared by SENES Consultants Limited, Denison Environmental Services, and Hunt Engineering Group and was acknowledged as filed under the MA on January 17, 2008 (such closure plan, the “**Legacy Closure Plan**”).
- 1.10. The boundaries of the project site as defined and described in the Legacy Closure Plan include the mining lands and mine hazards described under the property identifier numbers listed in Schedule “A” hereto, as further particularized in the site plan provided as part of the Legacy Closure Plan reproduced in Schedule “B” hereto (the mining lands and mine hazards covered by such boundaries referred to collectively as the “**Legacy Site**”).
- 1.11. Amongst other rehabilitation measures, the Legacy Closure Plan contained measures for the construction and operation of a water treatment plant (“**WTP**”) to treat acidic water at the Legacy Site, pending full rehabilitation and closure.

- 1.12. On November 9, 2015, Old Steelco (then under the name Essar Steel Algoma Inc.), along with certain of its affiliates, entered creditor protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**").
- 1.13. During the CCAA proceedings, Old Steelco indicated to the ministry responsible for administering Part VII of the MA (now known as the Ministry of Mines, and referred to in this Order as the "**Ministry**") that it could not secure the necessary funds to construct the WTP in time to avoid a discharge to the natural environment.
- 1.14. Accordingly, on May 9, 2017, the Director issued an order under subsection 145(2) of the MA in respect of the Legacy Closure Plan, ordering employees of the Ministry to perform rehabilitation measures set out in the Legacy Closure Plan, namely contracting with competent persons to construct and operate the WTP (the "**2017 Director's Order**"). A copy of the 2017 Director's Order is attached as Schedule "C" hereto.
- 1.15. To carry out the rehabilitation measures required under the 2017 Director's Order, pursuant to subsection 145(5) of the MA, the Ministry:
 - (a) realized on the letter of credit provided as financial assurance for the rehabilitation measures set out in the Legacy Closure Plan (the "**Legacy Financial Assurance**"); and
 - (b) caused the construction and operation of the WTP.
- 1.16. The WTP has been operating since 2018, and the Ministry's current authority to operate the WTP remains a function of subsections 145(2) and 145(5) of the MA, expressed through the 2017 Director's Order.
- 1.17. On June 20 and 21, 2018, Deborah Stephenson, a duly appointed inspector under the MA, conducted an inspection of the Legacy Site and concluded that a variety of mine features located on the Legacy Site constitute mine hazards, as they have not been rehabilitated to the standards of the MA and Ontario Regulation 240/00 (the "**Regulation**"), including the Mine Rehabilitation Code of Ontario. Such mine features include, without limitation, openings to surface, open pits, underground workings, crown pillars, tailings and tailings dams, waste rock piles, fuel, buildings and infrastructure, and waste. These conclusions and other observations are reported in a Mine Rehabilitation Inspection Report dated November 5, 2018, attached as Schedule "D" hereto (the "**Inspection Report**").
- 1.18. While a full inspection of the Legacy Site has not been undertaken since the above-noted inspection, staff and agents of the Ministry have attended the Legacy Site on numerous occasions since 2018 in the course of

overseeing the operation and maintenance of the WTP, and mine hazards continue to exist at the Legacy Site.

- 1.19. The costs of the WTP are significant and continue to accrue, particularly in light of maintenance needs that were not anticipated in the Legacy Closure Plan. The Legacy Financial Assurance has been exhausted and the WTP is currently being operated and maintained at taxpayer expense, with the costs of such operation and maintenance accruing as a debt due to the Crown by the proponent of the Legacy Site pursuant to subsection 151(3) of the MA.
- 1.20. The CCAA proceedings included a sales process by which Old Steelco's assets, property, and undertakings, including the Legacy Site, were marketed by the Court-appointed Monitor.
- 1.21. In response to the marketing of Old Steelco's assets, Algoma Ferrous Industries Inc. ("**AFI**") undertook due diligence; during the due diligence process, the Ministry provided AFI with a copy of the Legacy Closure Plan and the Inspection Report.
- 1.22. Pursuant to a Court-approved agreement of purchase and sale and related vesting order, as more particularly described in and confirmed through the Monitor's Certificate attached as Schedule "E" hereto, AFI became the owner in fee simple of the Legacy Site on February 10, 2021 (the "**Closing Date**").
- 1.23. As the owner of the Legacy Site, including the mines, mining lands, and mine hazards thereupon, AFI is a proponent of the Legacy Site for the purposes of Part VII of the MA, and, pursuant to subsection 153.3 of the MA, is liable for the rehabilitation under that Part of the mine hazards on, in, or under the lands, unless a contrary intention is shown.
- 1.24. AFI and Her Majesty the Queen in right of Ontario (as she then was) as represented by the Ministry and the Ministry of the Environment, Conservation and Parks ("**MECP**"), entered into a deferral agreement dated December 14, 2020 (the "**Deferral Agreement**"), which became effective as of the Closing Date. A copy of the Deferral Agreement is attached as Schedule "F" hereto.
- 1.25. In the Deferral Agreement, the Ministry, together with MECP agreed, subject to the terms and conditions of the Deferral Agreement, not to pursue against AFI, and to the extent applicable, its directors and officers, certain regulatory and civil claims (as more particularly described in the Deferral Agreement as "**Deferred Claims**").
- 1.26. This deferral was limited to a period of time defined and described in the Deferral Agreement as the "Deferral Period"; under section 3.1, the Deferral Agreement provided that at the end of the Deferral Period, the

Province would be entitled to pursue any Deferred Claim against AFI and, where applicable, its directors and officers.

- 1.27. Subsection 5.1 of the Deferral Agreement provided that the Deferral Period would end on the earliest of several dates, one of which was the date on which an “Event of Default”, as defined in the Deferral Agreement, existed, after any associated notice and cure period had expired.
- 1.28. In a letter from the Director to AFI dated February 27, 2023, the Ministry notified AFI of the existence and continuance of numerous Events of Default under the Deferral Agreement and provided a cure period. That cure period expired without the applicable Events of Default having been cured.
- 1.29. In a letter from the Senior Manager of the Ministry’s Mine Rehabilitation Section to AFI dated April 19, 2023, the Ministry reiterated the expiry of the cure period and that the Province was now in a position to pursue Deferred Claims against AFI.
- 1.30. A further letter, dated August 14, 2023, co-signed by the Assistant Deputy Minister (Mines and Minerals Division) of the Ministry and her counterpart at MECP, again reiterated the Province’s position and requested a response be provided by August 25, 2023. AFI did not respond.
- 1.31. To the extent that a “contrary intention” for the purposes of subsection 153.3(1) of the MA existed on the Ministry’s part at any point, such contrary intention expired concurrently with the expiry of the Deferral Period. AFI remains liable for the rehabilitation of the mine hazards at the Legacy Site in accordance with section 153.3 of the MA.
- 1.32. As a function of the approval and vesting order issued by the Court, the Ministry is not in a position to order Old Steelco respecting further performance of the rehabilitation measures required under the Legacy Closure Plan or otherwise in respect of the Legacy Site.
- 1.33. I am advised by staff in the Mine Rehabilitation Section that the Legacy Closure Plan is deficient in relation to the prescribed requirements under the MA and its regulations; these deficiencies include, without limitation:
 - a) the Legacy Financial Assurance is exhausted;
 - b) the proposed schedule for rehabilitation has become materially outdated given the CCAA proceeding and the transfer of ownership;
 - c) the conceptual design for the simple lime treatment plant provided for in the Legacy Closure Plan, as implemented, has proven insufficient to reliably manage offsite contamination risk, as well as being financially inefficient to administer; a different approach to water treatment should

be reflected, or alternatively the existing plant and its costs should be reflected in the closure plan;

- d) it provides for water treatment over an unacceptably long-time horizon that is unfunded;
 - e) there are erosion concerns regarding the upper dam spillway of the tailings management facility;
 - f) the site plan does not show the location of all project features and openings to surface;
 - g) rehabilitation measures for numerous buildings are not included in the closure plan;
 - h) it may not reflect best available technology and current best practices in mine rehabilitation of legacy sites; and
 - i) it is in the name of an insolvent corporation that is no longer an owner of the Legacy Site and may not reflect the current proponent's intentions for the site or its proposal for the future use or condition of the site.
- 1.34. As reported to the Ministry through the Legacy Closure Plan, since 1995, Old Steelco consistently provided Michipicoten First Nation ("MFN") with opportunities to review and comment on the closure plans for the Legacy Site. Pending further review by the Ministry, it may be required or otherwise appropriate under the MA and/or section 35 of the *Constitution Act, 1982* for MFN, and/or other Indigenous communities or organizations, to be consulted in connection with the development of an updated closure plan for the Legacy Site.

PART 2. WORK ORDERED

Pursuant to subsection 147(1) of the MA, I hereby order Algoma Ferrous Industries Inc. to:

- 2.1. By **March 3, 2026**, submit to the Ministry a closure plan to rehabilitate all mine hazards on the Legacy Site in accordance with the prescribed standards under the MA and the regulations made thereunder; and
- 2.2. Comply with each of the procedural requirements respecting the submission of this closure plan set out in Part 3 below, by any associated date set out therein.

PART 3. PROCESS

- 3.1. **By April 29, 2024**, AFI shall confirm in writing to the Director its intention to develop a closure plan for the Legacy Site and request that the Ministry

provide written direction with respect to consultation with Aboriginal communities regarding the closure plan to be developed.

- 3.2. After receiving the request contemplated in section 3.1 of this Order, the Director shall respond to AFI in the manner contemplated in subsection 8.1(2) of the Regulation, with such response providing written direction respecting Aboriginal consultation as contemplated in subsection 8.1(3) of the Regulation, and upon receiving such response, AFI shall commence participating in a process of Aboriginal consultation if so directed, pursuant to the procedure contemplated by section 8.1 of the Regulation, to the same extent as would be required if AFI were submitting a closure plan pursuant to subsections 140(1) or 141(1) of the MA. For greater certainty, any failure to undertake a consultation activity directed by the Director, or to submit a consultation plan or consultation report on a schedule directed by the Director, shall be a breach of subsection 2.2 of this Order above.
- 3.3. **By March 3, 2025**, AFI shall provide public notice of the closure plan in the same prescribed manner as would be required under the Regulation if AFI were submitting a closure plan pursuant to subsection 141(1) of the MA rather than pursuant to this Order.
- 3.4. Provided that 3.1. and 3.3 are complied with, and provided that direction to consult with at least one Aboriginal community or organization has been given by the Director under section 3.2 of this Order, **by August 29, 2025**, AFI shall provide the Ministry with a draft closure plan that is, in the Director's opinion, suitable for circulation to any Aboriginal communities with whom AFI has been directed to consult.
- 3.5. Within 45 days of the closure plan being formally submitted to the Ministry for filing by AFI pursuant to subsection 2.1 of this Order, the Ministry shall either:
 - a) provide written acknowledgement to AFI that the closure plan has been filed, if the Ministry is satisfied that the closure plan meets the prescribed standards under the Regulation; or
 - b) return the closure plan, if the Ministry is not satisfied that it meets the prescribed standards.

PART 4. GENERAL

- 4.1. This Order does not in any way restrict the issuance of amendments to this Order, nor the issuance of further orders of any type to any person under the MA related to these or other mine hazards at the Legacy Site or any other property associated with the property commonly known as the MacLeod Mine or any other property.

- 4.2. The requirements of this Order are minimum requirements only and do not relieve AFI or any other person from:
- a) complying with any applicable legal requirement, or any other order or instrument, under provincial, federal, or municipal legislation, regulations, or any requirement at common law; or
 - b) obtaining any approvals or consents not specified in this Order;
- 4.3. Failure to comply with a requirement of this Order by the date specified does not absolve AFI from compliance with the requirement. The obligation to complete the requirement shall continue each day thereafter until the obligation has been satisfied.
- 4.4. The requirements of this Order are severable. If any requirement of this Order or the application of any requirement to any circumstance is held by a court or tribunal of competent jurisdiction to be invalid, the application of such requirement to other circumstances and the remainder of the Order shall not be affected thereby.
- 4.5. Subsection 147(5) of the MA provides that failure to comply with the requirements of this Order constitutes an offence.
- 4.6. References to the MA and Regulation shall be construed as including references to any similar provisions of the MA, if amended, or any successor regulations to the Regulation, respectively.
- 4.7. References to the Director shall be construed as including any person occupying the position of Director of Mine Rehabilitation, or, if the amendments to the MA made by the *Building More Mines Act, 2023* which eliminate the statutory position of Director of Mine Rehabilitation, come into force, such other official within the Ministry to whom the functions currently performed by the Director of Mine Rehabilitation have been vested, assigned, or delegated.

PART 5. HEARING BEFORE THE TRIBUNAL

- 5.1. Section 152 of the MA provides that AFI may appeal this Order if, within thirty (30) days of receiving this Order, AFI serves the Director with the prescribed form of notice requiring a hearing before the Ontario Land Tribunal; and
- 5.2. A copy of the prescribed form of notice is available from the Ministry website at the following link:
<https://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/MinistryDetail?OpenForm&ACT=RDR&TAB=PROFILE&ENV=WWE&NO=019-0306E>.

Trina Rawn
Director of Mine Rehabilitation
Ministry of Mines
B6 – 933 Ramsey Lake Road
Sudbury ON P3E 6B5

Date

DRAFT

SCHEDULE "A"
LAND REGISTRY SYSTEM – PROPERTY IDENTIFIER NUMBERS

See attached.

DRAFT

The lands described under the following PINs or parts of PINs:

1. 31170-0056
2. 31170-0052 (part)
3. 31169-2191
4. 31169-2193 (part)
5. 31169-2258 (part)
6. 31169-0473 (part)
7. 31169-1044
8. 31169-1051
9. 31169-1018 (part)
10. 31169-1026
11. 31169-1029
12. 31169-0459
13. 31169-1015
14. 31169-1016
15. 31169-1017
16. 31169-1052
17. 31158-0110
18. 31158-0114
19. 31158-0112
20. 31158-0113
21. 31158-0111
22. 31158-0138
23. 31158-0115
24. 31158-0144
25. 31158-0117
26. 31169-1043
27. 31169-1019
28. 31169-2192
29. 31169-1030
30. 31169-1054
31. 31169-1055
32. 31169-1056
33. 31169-1057
34. 31169-1047

SCHEDULE "B"
SITE PLAN FROM LEGACY CLOSURE PLAN

See attached.

DRAFT

SCHEDULE "C"
SUBSECTION 145(2) DIRECTOR'S ORDER – MAY 9, 2017

See attached.

DRAFT

**DIRECTOR'S ORDER
CROWN TO CARRY OUT REHABILITATION
*Mining Act, R.S.O.1990, c. M.14, s. 145(2) ("Mining Act")***

Order Number: 2017-001

TO: Essar Steel Algoma Inc.
Fred Post, Manager, Environmental Control
105 West Street
Sault Ste. Marie, ON P6A 7B4

TO: ICICI Bank Canada
Trade Finance Department
Don Valley Business Park
Suite 700, 150 Ferrand Drive
Toronto, ON M3C 3E5

TO: Scotiabank
Ontario Intl Trade Services,
61 Front Street West, 4th Floor
Toronto, ON M5H 1H1

PART 1. LEGAL AUTHORITY AND REASONS

- 1.1. A certified mine production closure plan for a former iron mine and surface facilities located in Wawa, Ontario and known as the MacLeod Mine (the "Property") was acknowledged as filed by the Director on January 17, 2008 (the "Closure Plan").
- 1.2. Essar Steel Algoma Inc. (ESAI) is the current proponent of the Closure Plan.
- 1.3. Amongst other rehabilitation measures, the Closure Plan requires the construction and operation of a water treatment plant ("WTP") to treat acidic water at the Property.
- 1.4. On November 9, 2015, ESAI sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA").
- 1.5. The current owner of the property, ESAI, has indicated that it cannot secure the necessary funds to construct the WTP in time to avoid a discharge to the natural environment.
- 1.6. For the foregoing reasons, I have reasonable and probable grounds for believing that ESAI will not carry out a rehabilitation measure required by the Closure Plan.

- 1.7. Notice of my intention to issue this order under subsection 145(2) was given to ESAI, with copies to ICICI Bank Canada and Scotiabank, who provided the letter of credit included as financial assurance for the Closure Plan, on March 22, 2017.


PART 2. WORK ORDERED

Pursuant to subsection 145(2) of the Mining Act I hereby order:

- 2.1 That employees of the Ministry of Northern Development and Mines contract with competent persons to construct and operate the WTP.

PART 3. GENERAL

- 3.1. This Order does not in any way restrict the issuance of amendments to this Order, Emergency Orders or Emergency Directions, or Director's Orders under the MA related to the rehabilitation measures or the Property;



Gordon MacKay
Director of Mine Rehabilitation
Ministry of Northern Development and Mines



Date

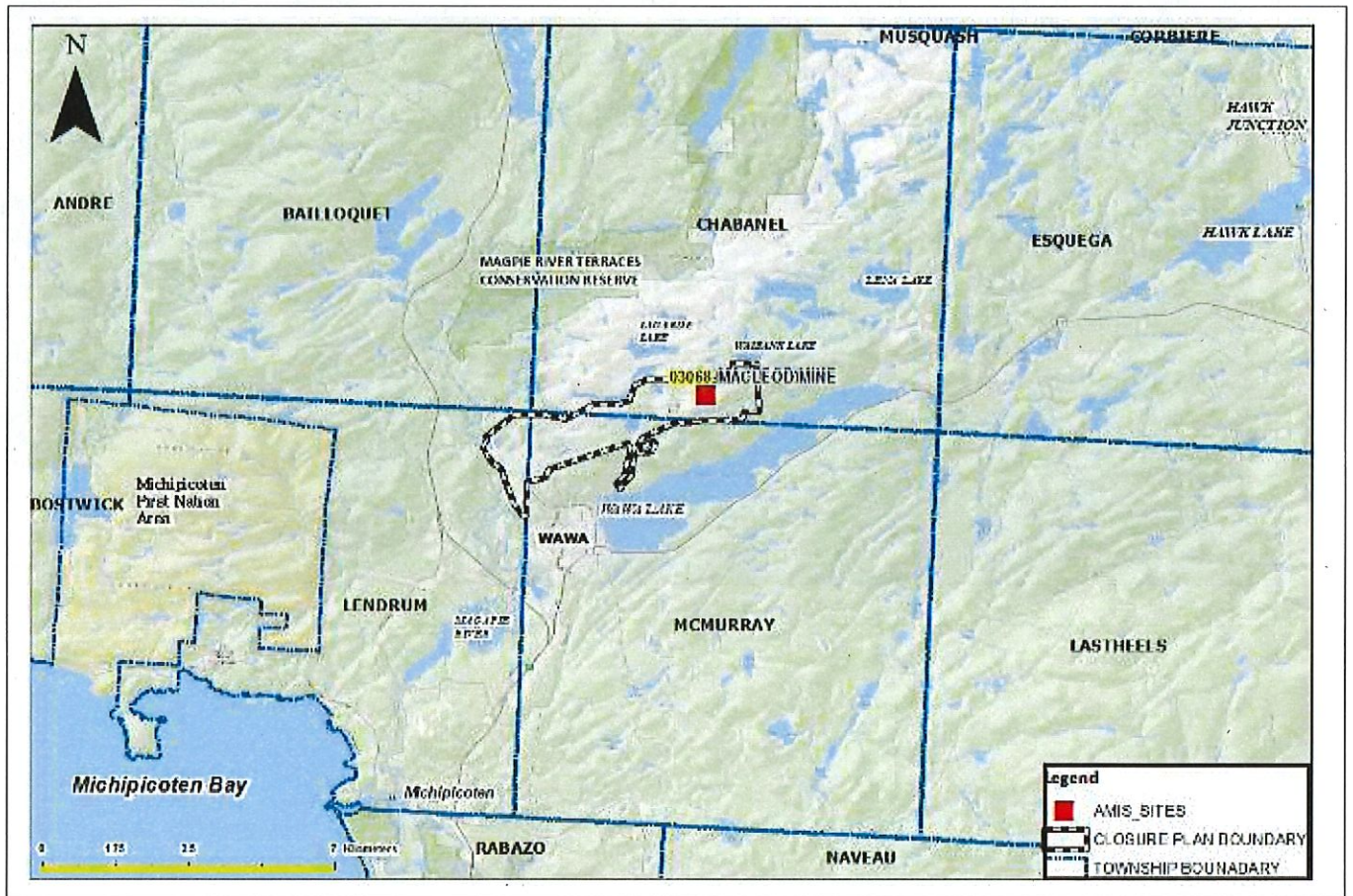
SCHEDULE 1 PROPERTY DESCRIPTION

Property Location:

Closure Plan area covers the southwest part of Chabanel, northwest part of McMurray and northeast part of Lendrum township.

AMIS Site 03068 is located on the Freehold Surface and Mining Rights Patent # R732

Site Location:



SCHEDULE "D"
MACLEOD MINE – MINE REHABILITATION INSPECTION REPORT –
NOVEMBER 5, 2018

See attached.

DRAFT

Site: MacLeod Mine**CP File #: A06****AMIS #: 03068****Inspection Date:** June 20, 2018, June 21, 2018**Inspector:** Deborah Stephenson**Current Project Status:** Closing Out**Commodity:** Iron**Township:** Chabanel, McMurray, Lendrum townships**Location and Access:**

The mine site is located immediately north of Wawa Lake and northeast of Wawa, Ontario. From Hwy. 17, turn off at Wawa onto Hwy. 101 (Mission Rd./Broadway Ave.). Drive through town to the end of the road. Turn left onto Government Road. Travel for approximately 1.6 km and turn left onto a gravel road. Travel 600 m to the plant gate.

Location Map:**Land Tenure:** Patented mining rights and surface rights**Company Rep on site:**Willard Sloan
Security**Phone:**
Cell:
Fax:
Email: wasloan@bell.net**Others Attending:** Chantel Therrien, ENDM summer student
Nicole Catojo, Administration Assistant, ENDM**Proponent:** Fred Post
Manager, Environmental Control
Essar Steel Algoma**Phone:** (705) 945-4568
Cell: (705) 206-1122
Fax: (705) 945-2972

105 West Street
Sault Ste. Marie
P6A 7B4

Email: fred.post@algoma.com

Closure Plan: Yes No Filed Date: January 17, 2008
Title: Closure Plan for the MacLeod Mine, December 2006

Closure Plan Amendment: Yes No Date:
Title:

Progressive Rehabilitation Report: Yes No Date:
Title:

Site Plan: Yes No Most recent version: December 20, 2006

Underground Plans: Yes No Most recent version:

Site Security: 7 days /week, 2 hours/day

Restricted Access: Yes No Type: Fenced and Gated
Site Monitoring/Inspection: Continuously Monitored Once every 6 months
Yes No Yes No

Last Inspection Date: September 12, 2012

History of Site: The MacLeod Mine Closure Plan site is located at the top of a topographic high north of the town of Wawa. The area encompassed by the closure plan boundary measures approximately 1 km by 6 km and is divided into the mine area and the plant area.

Open pit iron ore mining began at the Helen Mine in 1898. Algoma Steel Corporation purchased the property in 1904 and operated the Helen Mine until 1918, mining the hematite ore.

In 1939, the Helen Mine was reopened to mine siderite ore which necessitated the construction of the sinter plant to process the ore. The sinter plant operated from 1939 to 1993. Sinter tolling operations, which involved recycling iron and steel fines for custom sinter for three American steel companies, began in 1993.

The Helen Pit was mined out by 1946 and mining of the Victoria Pit began. Underground mining at the Helen Mine commenced in 1949. Mining of the George W. MacLeod Mine began in 1960 from the No. 5 Shaft.

All operations ceased in 1998 and decommissioning and rehabilitation of the site began including demolition and decommissioning of much of the surface infrastructure, decommissioning and revegetation of the tailings area, capping many of the surface openings, and fencing the open pits and remaining surface openings.

Essar Steel Algoma Inc. assumed responsibility for the site on June 26, 2008.

On November 9, 2015 Essar sought creditor protection under the Companies' Creditors Arrangement Act (CCAA) while it attempts to restructure its debts and obligations.

A water treatment plant was constructed on the mine site in 2017-18 and became operational in June 2018.

Purpose of Inspection: Follow-up inspection to document any changes that have occurred since the last inspection.

Disclaimer: Information in this report was obtained from the Closure Plan, ENDM files, personal communication with Essar Steel personnel and observations made during the inspection.

Statements pertaining to the physical stability of mine features do not constitute a comprehensive analysis of stability but are based on apparent observations.

INSPECTION

1. Surface Openings

Surface openings on site: Yes No

Feature	Name	Photo #	Active	Rehabilitation
Shaft	No. 1 Shaft		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	buried, fenced
Shaft	No. 2 Shaft		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	buried, fenced
Shaft	No. 2 Inclined Shaft		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Shaft	No. 3 Shaft	1	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Shaft	No. 5 Shaft	2	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped
Raise	Cable Belt Fan House Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	backfilled
Raise	H-214 Exhaust Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Raise	H-214 P. Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Raise	H-215 Service Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Raise	H-221 Fresh Air Raise	3	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Raise	H-222 Exhaust Raise	4	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Raise	H-272 Exhaust Raise	5	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	bermed, fenced
Raise	H-279 Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Raise	Spud Lake Ventilation Raise		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	capped, fenced
Stope	Victoria Pit Open Stope	6	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Portal	C Station Portal (Moran Lake Ropeway) Portal		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	backfilled
Portal	Cable Belt Portal (Conveyor Portal)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	backfilled
Portal	Helen Mine Conveyor Portal		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	collapsed, fenced
Portal	Service Tunnel Portal (Soulier Creek Portal)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	backfilled
Tunnel	Josephine Tunnel	7, 8	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	bermed, open
Tunnel	North Helen Pit Tunnel Entrance		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	blasted, fenced
Adit	South Helen Pit Adit		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	backfilled, fenced
Adit	Helen Mine Exploration Adit		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	blasted, fenced
Adit	Talbot Lake Exploration Adit		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	not a hazard

Have all surface openings been identified in the Closure Plan and on the site plan? Yes No N/A
 If no, list surface openings below.

Josephine Tunnel

Comments: Five surface openings have been rehabilitated by fencing rather than backfilling or capping. A fence, approximately 6 km long, surrounds the following openings: H-214 Exhaust Raise, H-214 P. Raise, H-215 Service Raise, H-272 Exhaust Raise (Photo 5), and Victoria Pit Open Stope (Photo 6).

According to the Notice of Material Change form dated January 7, 2014, the No. 1 Shaft and No. 2 Shaft, which are located within the fencing, have been buried under a large sink float pile and are considered to be backfilled.

Six surface openings have been capped and vented and are located within the fencing at the mine site including: No. 2 Inclined Shaft, No. 3 Shaft (Photo 1), H-221 Fresh Air Raise (Photo 3), H-222 Exhaust Raise (Photo 4), H-279 Raise, and Spud Lake Ventilation Raise.

Four adits/tunnels have been either backfilled or blasted and are located within the fenced

area: Helen Mine Conveyor Portal, North Helen Pit Tunnel Entrance, South Helen Adit, Helen Mine Exploration Adit.

The Talbot Lake Exploration Adit is located outside of the fencing but was deemed to be not a hazard due to its short length and remoteness.

The No. 5 Shaft (capped and vented) (Photo 2) and the Cable Belt Fan House Raise (backfilled) are located outside of the fenced area.

C Station Portal, Cable Belt Portal, and Service Tunnel Portal have all been backfilled and are located outside of the fenced area.

Several changes have taken place since the last inspection; a sampling port was installed on the No. 3 Shaft in 2012 (Photo 1) and the final bulkhead was installed at the C Station Portal in 2013.

The Josephine Tunnel is a shallow excavation that was used as an electrical conduit (Photo 7). The entrance is still blocked by a berm but the material has subsided leaving the bottom of the tunnel open. The gravel cover over the end of the tunnel has eroded leaving the tunnel open (Photo 8). The rehabilitation of the Josephine Tunnel was not included in the closure plan but was addressed in a Notice of Material Change dated Jan. 3, 2014. Essar proposes to collapse the tunnel after removing utility supply equipment and backfilling during the next phase of progressive rehabilitation.

2. Open Pits

Open pits on site: Yes No

Feature	Name	Photo #	Active	Rehabilitation
Open Pit	Helen Pit	9	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Open Pit	Victoria Pit	10	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	berm, fenced
Open Pit	Block "D" Opening		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	fenced
Sump	Drainage sump	11	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	none

Have all open pits been identified in the Closure Plan and on the Site Plan? Yes No N/A

If no, list features below.

Drainage sump

Comments: All three of the pits are located within the fenced area. Since mine roads to the pits have not been maintained, the Helen Pit (Photo 9) and Block "D" Opening could not be observed up close due to their inaccessibility. It could not be determined if these pits were flooded. The Victoria Pit is not flooded and appears to have experienced some sloughing of rock from the pit walls since the last inspection (Photo 10).

A drainage sump on the Sinter Plant site was not noted during the last inspection. The drainage sump is a four foot deep excavation used to flush the drainage lines. It is currently covered with a steel plate and marked by four steel posts (Photo 11).

3. Stability of Crown Pillar and Room and Pillar Operations

Underground workings on site: Yes No

Stopes and Crown Pillar Yes No Crown Pillar Thickness: 36 m or Unknown

Certified Crown pillar stability study on file Yes No Date: December 15, 2006

Subsidence Yes No Date:

Surface land use: Mining

Backfilled Yes No Unknown Backfill Material:

Fenced Yes No

2 m high Yes No

#6 chain link Yes No

Barbed wire top Yes No

Bottom access Yes No Set back = pit depth Yes No

Signs Yes No

30 cm x 30 cm, 20 m apart, "Danger – Open Hole / Danger – Trou Ouverte", 3.5 cm size Yes No

Comments: A physical stability assessment was provided in Appendix E of the Closure Plan. There are five crown pillars on site ranging from 36 m to 243 m (120 ft. to 813 ft.) thick. It was concluded that the risk of crown pillar failure to surface was extremely low. In addition, all the crown pillars are located within the fenced area.

4. Tailings, Dams and Other Containment Structures

Tailings on site: Yes No

Active Yes No

Have all tailings areas been identified in the Closure Plan and on the Site Plan? Yes No N/A

Comments: There have been no changes to the tailings since the last inspection. No new tailings are being produced.

Tailings Dams on site: Yes No

Have all tailings dams been identified in the Closure Plan and on the site plan? Yes No

Dam Safety Inspection Report on file? Yes No Date:

Comments: The Upper Dam holds back water as before (Photo 12). The water is clear and is not acidic (F. Post, personal communication, 2018). The crest of the Upper Dam is in good condition with no excessive vegetation or signs of erosion (Photo 13) but the toe of the dam showed a slump of material (Photo 14). ENDM staff noted the slump, which occurred in the location of a former decant structure, on October 26, 2017 and notified Essar. Remediation work by Essar included completing a detailed survey of the Upper Dam to determine the plausible cause and to develop a remediation plan.

The Upper Dam spillway to the Middle Pond was dry and free of debris (Photos 15, 16, and 17). The spillway will be lowered three feet to allow for better drainage of the Upper Pond and prevent water flow through the dam and further erosion (F. Post, personal communication, 2018).

A portion of the Middle Pond is water covered (Photo 18). The tailings areas have been revegetated with jack pine; birches, poplar and spruce have revegetated naturally,

although some areas are bare (Photos 19 and 20). The Middle Dam is in good condition (Photo 21).

The Lower Pond has been revegetated (Photos 22, 23, 24, and 25).

Other Containment Structures on site: Yes No

5. Surface Water Monitoring

Does the site have an ECA? Yes No

ECA: 5724-ANBQ9F

Date issued: September 7, 2017

Monitored Yes No

Water bodies potentially affected by the site

Type	Name
Lake	Boyer
Creek	Soulier

Downstream receiver: River

Name: Magpie River

Water quality impaired Yes No Unknown

Colour: clear

Potential contaminants: Fe, Cu, Zn

Samples Taken Yes No

Naturally sustainable drainage Yes No

Maintenance required Yes No

Comments: The mine has been flooding since 1998 and appears to have reached the final elevation. Sources of metal leaching/acid rock drainage on site include pyritic zones in the mine workings, open pits and some waste areas. All water from these sources is reported to drain to the mine workings.

Since the mine water is acidic, a water treatment plant was constructed in 2017 and commissioned in June 2018 in order to prevent untreated underground water from flowing to surface and entering Wawa Lake. The water treatment plant operates seasonally and discharges treated water to the Magpie River at the current MISA sampling point on the lower dam (Photos 26 and 27). During operations, the MISA sampling point was located upstream (Photo 28).

A drain was constructed from the clarifier (Photos 29 and 30). If sludge becomes too thick or, if the pH is too low or, turbidity too high, the clarifier will drain to Boyer Basin which drains to underground and eventually back to the water treatment plant (Photo 31).

6. Ground Water Monitoring

Does the site have an ECA? Yes No

ECA:

Date issued:

Water quality impaired Yes No Unknown

Samples taken Yes No

Potential contaminants: hydrocarbons, copper, zinc

Monitored Yes No

Comments: A ground water monitoring program is in place.

Underground bulkheads were installed in the Cable Belt and Soulier Creek Service tunnels in 2010 and at the C-Station (Moran Lake Ropeway) Tunnel in 2013, in order to prevent mine water from overflowing into the plant site.

The Closure Plan proposed additional groundwater studies to investigate a historic hydrocarbon contamination at the Sinter Plant site down gradient of the former underground diesel storage tanks and assess groundwater down gradient of the landfill to confirm no negative impacts will occur to the Magpie River.

7. Rock Piles, Overburden Piles, Stockpiles, Other Material

Material on site: Yes No

Comments: Waste rock that was located in a dump between Shaft No. 5 and Moran Lake has been contoured and revegetated.

8. Buildings and Other Structures

Buildings and/or Other Structures on site: Yes No

Feature	Photo #	Removed	Active	Restricted Access	Appears Stable	Concrete Foundation
Administration Building (#564)	32	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Brick Storage Shed	33	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cable Belt Drive House (#584)	34	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Carpenter Shop (#555)	35	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cold Storage Building (#550)	36	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cold Storage Building (#576A)	37	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Compressor House (#557)	38	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Compressor / Boiler House (#573)	39	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Diesel Storage	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eagle's Nest	41	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fence	42, 43	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fire Hydrant Hut	44	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fire Hydrant Pipe access	45	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Garage (new) (#571A)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Garage (old) (#571)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gate House (#588)	46	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Machine Shop (#570)	47, 48	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Magpie Pump house (#565)	49	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Metal Cold Storage (#574)	50	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Moran Lake Pump house	51	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Motor Storage (#581)	52	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Office/ Warehouse (#572)	53, 54	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Oil Shed (#503)	55	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Parking lot	56	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pipe Shop (#593)	57, 58	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Scale House	59, 60	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Screen Shed (#580)	61	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Storage Sheds (2)	59, 60	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tire Storage Shed	62	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tool Storage Shed	63	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Trestle	64	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utility Box	65	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Water Treatment Plant	66, 67, 68	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WTP Clarifier	66, 69, 70	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Concrete foundations or slabs Yes No

Have all buildings, structures and concrete foundations been identified in the Closure Plan and on the site plan? Yes No N/A

Buildings and structures not identified in the closure plan or on the site plan are shown in red above.

Revegetated Yes No Progressively

Comments: Since the last inspection, the following changes to buildings and infrastructure have taken place:

- a water treatment plant (Photos 66, 67, and 68) and clarifier (Photos 66, 69, and 70) have been constructed to treat mine water before discharge
- a pump house on Moran Lake has been constructed to provide water to the WTP (Photo 51).
- the fencing surrounding the surface openings of the MacLeod Mine / Helen Mine area was moved a short distance and a gate added to accommodate the construction of the Water Treatment Plant and drain (Photos 42 and 43).

The condition of the following buildings and structures has noticeably deteriorated since the last inspection:

- the Administration Building has broken windows and peeling roof (Photo 32).
- the Brick Storage Building is unstable (Photo 33)
- the windows on the Carpentry Shop are broken and the siding is coming away from the building (Photo 35)
- the windows on the Compressor Building are broken (Photo 38)
- the paint has peeled off the Fire Hydrant Hut and the roof has a hole (Photo 44)
- some windows on the Machine Shop are broken and boarded up (Photos 47 and 48)
- the Sinter Plant parking lot has significantly more tree and vegetation growth
- the Magpie Pump House has a hole in the roof
- the Oil Shed has broken windows (Photo 55)
- the Screen Shed is unstable and falling apart (Photo 61)
- the Tire Storage Shed is unstable and surrounded by much more tree growth than last inspection (Photo 62)
- the Tool Shed is unstable (Photo 63)
- a light standard has fallen over on the former Sinter Plant site (Photo 71)

Several structures not noted during the last inspection, but believed to have been on site

previously, include: a wooden pipe trestle located on the plant site (Photo 64) and a fire hydrant with a pipe access cover located near the Motor Storage building (Photo 45).

Original plans called for maintaining the Eagle's Nest (Photo 41) as a heritage building but now it may be removed with the rest of the buildings (F. Post, personal communication, 2018).

9. Revegetation

Is site closed out?: Yes No

10. Landfills

Landfills on site: Yes No

Active Yes No # of Landfills: 1 Type: Non-hazardous industrial waste
 Monitored Yes No Maintained Yes No Rehabilitated Yes No

Revegetated Yes No
 % covered: 80-90 Type of vegetation: grasses, wildflowers
 Healthy Yes No Sustainable Yes No Unknown

Comments: The landfill site is located near the plant site gate house in a former gravel pit. It has been covered and revegetated (Photos 72 and 73). The landfill may be reopened to dispose of demolition debris (W. Sloan, personal communication, 2018).

11. Transportation Corridors

Transportation corridors on site: Yes No

Feature	Active	Restricted access	Rehabilitated
Road	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Railway	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Revegetated Yes No

Comments: There are two entrances to the MacLeod Mine site – one near the former sinter plant site (see Photo 46) and one near the Helen Mine site. Both are gated but the Helen Mine site entrance is controlled by the surface rights owner. Mine roads are surfaced with aggregate.

A set of rail tracks is visible at the scale house (see Photo 60) and on the Sinter Plant site. All other rail tracks have been removed.

12. Other

Pipelines on site: Yes No Unknown

Removed Yes No Unknown

Active Yes No Unknown

Revegetated Yes No

Comments: Since the last inspection, a buried, HDPE pipeline from the water treatment plant to the discharge point on the Magpie River was constructed (see Photo 27).

Waterlines on site: Yes No Unknown

Removed Yes No Unknown

Active Yes No Unknown

Revegetated Yes No

Comments: A new waterline (4", PVC) was installed from the Moran Lake Pump house to the Water Treatment Plant (Photo 74).

Power transmission lines on site: Yes No

Removed Yes No

Active Yes No

Restricted access Yes No

Non-essential electrical systems de-energized Yes No Unknown

Substations Yes No

of substations: 1

Revegetated Yes No

Comments: A transformer was built since the last inspection to service the Water Treatment Plant (Photo 75). On the Sinter Plant site, some power lines (see Photo 56) and the substation (Photo 76) are still in place. Three transformers located on the north side of the Cable Belt Drive House were not noted during the last inspection (Photo 77).

Mechanical and Hydraulic Systems on site: Yes No

Removed Yes No

Active Yes No

Equipment on site: Yes No

Removed Yes No

Active Yes No

Comments: Three new pumps have been installed to service the Water Treatment Plant (Photo 78).

Storage Tanks on site: Yes No

Removed Yes No

Active Yes No

Comments: The two oil tanks adjacent to the Compressor Boiler house are still on site (see Photo 39). The tanks are no longer used and it is unknown if they still contain product. The concrete base shows deterioration since the last inspection (Photo 79).

Two buried diesel tanks are still on site at the diesel storage area on the plant site (see Photo 40). An empty diesel fuel tank is located on the north side of the Warehouse (Photo 80). Two buried oil tanks are located on the northeast side of the New Garage building (Photo 81). Two large fuel tanks are located under the main floor of the Eagle's Nest and were used for heating with the oil furnace (W. Sloan, email, Feb. 27, 2018).

A new lime silo is located on the south side of the Water Treatment Plant (Photo 82).

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PCB's on site: Yes No

Removed	Disposed of	Secured	Isolated	Managed on Site
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Comments: According to the Closure Plan, p. 70, all PCB containing material has been removed from site.

Petroleum Products on site: Yes No

Removed	Disposed of	Secured	Isolated	Managed on Site
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Comments: During the last inspection, eight 45 gallon drums of waste oil were observed being stored in the Motor Storage Shed. During this inspection, the Motor Storage Shed was observed to be empty (Photo 83) and the drums have reportedly been removed from site (W. Sloan, personal communication, 2018).

According to the Closure Plan, p. 51, buried diesel tanks still contain some product. This was confirmed during the inspection (W. Sloan, personal communication, 2018).

Chemicals on site: Yes No

Removed	Disposed of	Secured	Isolated	Managed on Site
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Comments: During the last inspection, five chlorine tanks were observed in the Magpie River Pump House. The proponent attempted to remove the tanks from the mine site but had difficulty finding a company to accept them. The chlorine tanks were moved and stored at the Machine Shop which was a more secure location (W. Sloan, personal communication, 2018). Fred Post confirmed in an email dated August 16, 2018 that the chlorine tanks have been removed from site.

Waste on site: Yes No

Removed	Disposed of	Secured	Isolated	Managed on Site
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Comments: It was noted that the wooden buildings on the sinter plant site have asbestos siding that will require special handling when demolished (F. Post, personal communication, 2018).

Steel waste from the installation of the C-Station Portal bulkhead was observed during the last inspection and it is still being stored near the portal entrance.

Explosives on site: Yes No

Removed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Disposed of	Yes <input type="checkbox"/> No <input type="checkbox"/>	Secured	Yes <input type="checkbox"/> No <input type="checkbox"/>
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Comments: Explosives were used during operations and were removed from site when the mine ceased operations.

Contaminated Soils on site: Yes No Unknown

Size of contaminated area: 0 m² Colour:

Samples taken Yes No

Potential contaminants: hydrocarbons

Comments: According to the Closure Plan, p. 23, a historical diesel fuel spill occurred on the plant site forming a subsurface hydrocarbon plume. The extent of the contamination is unknown.

Sewage System on site: Yes No Unknown

Treatment Plant Yes No

Septic Tank Yes No

Removed Yes No # of tanks: 4 Capacity: 0 L Filled Yes No Unknown

Field Bed Yes No

Rehabilitated Yes No Monitored Yes No Maintained Yes No

Sewage Lagoon Yes No

Comments: Two new septic tanks and a field bed were constructed as part of the Water Treatment Plant infrastructure and are located on the northwest side of the plant (Photo 84). The old septic tanks are still on site and were used to service the Administration building. They are apparently located on the site of the former town site. The septic tanks could not be located during this inspection.

13. Financial Assurance

Financial Assurance held for site: Yes No

Form: Cash

Amount: \$9,701.66

Phased Project/Payment Yes No

Are there any mine hazards or work required for which FA has not been provided? Yes No

Comments: When the Closure Plan was filed in 2007, it included financial assurance of \$7,385,000 in the form of a letter of credit. In May 2017, ENDM issued a Director's Order to Carry Out Rehabilitation which provided for the Crown to use the financial assurance to construct the Water Treatment Plant.

The remaining financial assurance is inadequate to complete the remaining rehabilitation work on site which includes: sealing of the Josephine tunnel; building demolition; infrastructure removal; contaminated soils study and remediation; operation and maintenance of water treatment plant; site revegetation; fence inspection and maintenance; physical stability monitoring; biological monitoring; chemical stability monitoring; and installation of additional groundwater wells. Additional closure costs include site security, utilities, contract management, and reporting.

Request for return of FA Yes No

Amount requested:

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UTM Coordinates

Zone: 16 U		Datum: NAD 83	
Feature/ Sample	Easting	Northing	
No. 1 Shaft	668170 (est)	5321430 (est)	
No. 2 Shaft	668200 (est)	5321450 (est)	
No. 2 Inclined Shaft	668200 (est)	5321360 (est)	
No. 3 Shaft	668599	5321383	
No. 5 Shaft	667885	5321255	
Cable Belt Fan House Raise	664926	5319624	
H-214 Exhaust Raise	667670 (est)	5321560 (est)	
H-214 P. Raise	667665 (est)	5321550 (est)	
H-215 Service Raise	667745 (est)	5321570 (est)	
H-221 Fresh Air Raise	667933	5321380	
H-222 Exhaust Raise	667936	5321675	
H-272 Exhaust Raise	669411	5321951	
H-279 Raise	669650 (est)	5321000 (est)	
Spud Lake Ventilation Raise	668632	5321378	
Victoria Pit Open Stope	669313	5321945	
C Station Portal (Moran Lake Ropeway Portal)	667047	5320580	
Cable Belt Portal (Conveyor Portal)	664907	5319620	
Helen Mine Conveyor Portal	668100 (est)	5321300 (est)	
Helen Mine Exploration Adit	667530 (est)	5321500 (est)	
Josephine Tunnel	664398	5319459	
Josephine Tunnel (end)	664416	5319532	
North Helen Pit Tunnel Entrance	668550 (est)	5321850 (est)	
Service Tunnel Portal (Soulier Creek Portal)	664821	5319720	
South Helen Pit Adit	668792	5321486	
Talbot Lake Exploration Adit	667370 (est)	5321830 (est)	
Drainage sump	664372	5319571	
Helen Pit	668600 (est)	5321560 (est)	
Victoria Pit	669311	5321930	
Block "D" Opening	669750 (est)	5321900 (est)	
Administration building (#564)	664296	5319316	
Brick Storage Shed	664497	5319910	
Cable Belt Drive house (#584)	664651	5319518	
Carpenter shop (#555)	664377	5319575	
Cold Storage Building (#550)	664500	5319877	
Cold Storage Building (#576A)	664402	5319839	
Compressor building (#557)	664553	5319298	
Compressor / Boiler House (#573)	664405	5319561	
Diesel Storage	664340	5319738	
Eagle's Nest	667932	5320944	
Electrical Substation	664568	5319320	
Fire Hydrant Hut	664503	5319312	
Fire Hydrant pipe access	664444	5319819	
Garage (new) (#571A)	664346	5319733	
Garage (old) (#571)	664323	5319711	
Gate House (#588)	664472	5318743	
Machine shop (#570)	664358	5319589	
Magpie Pump house (#565)	664067	5319321	
Metal Cold Storage (#574)	664405	5319846	
Moran Lake Pump house	667019	5320611	
Motor Storage (#581)	664458	5319811	

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Office/ Warehouse (#572)	664496	5319877
Oil Shed (#503)	664553	5319307
Oil tanks	664401	5319536
Pipe Shop (#593)	664288	5319647
Pipe Trestle	664326	5319741
Screen Shed (#580)	664385	5319863
Storage Sheds	664471	5318770
Substation #5	664568	5319316
Tire Storage Shed	664293	5319723
Tool Storage Shed	664483	5319564
Utility Box	664512	5319562
Water Treatment Plant	664400	5319539
Water Treatment Plant Clarifier	667918	5321293
Landfill site	664351	5318862

Summary of Observations

The MacLeod Mine site consists of the George W. MacLeod Mine as well as the historic Helen and Victoria mines and the Sinter Plant area. Mining first began with the Helen Pit in 1898 and continued intermittently until 1946 when mining began at the Victoria Pit. Underground mining commenced in 1949. All operations ceased in 1998 and decommissioning and rehabilitation of the site began. On November 9, 2015, Essar sought creditor protection under the Companies' Creditors Arrangement Act (CCAA) while it attempts to restructure its debts and obligations.

There are 24 surface openings on site including five shafts, nine raises, one open stope, four portals, two tunnels and three adits. As a remediation measure, a 6 km long fence was constructed and encloses 17 of the openings. Six of the fenced shafts and raises have also been capped and vented, and three of the adits have been either backfilled or blasted down. Eight shafts and raises within the fencing have not been capped or backfilled. Seven surface openings are located outside of the fenced area. Five of these openings have been either concrete capped or backfilled, one was determined not to be a hazard (Talbot Lake Exploration Adit) and one has not been rehabilitated (Josephine Tunnel). The three open pits on site are all located within the fenced area. A shallow drainage sump is located on the Sinter Plant site.

There are approximately 33 buildings and structures on site. Some are known to contain asbestos siding. Six buried fuel (diesel, oil) tanks are still on site. Some of the tanks may still contain some product. Five chlorine tanks are still on site.

Since the last inspection the following changes have occurred:

- A sampling port was installed on the No. 3 Shaft in 2012.
- The third bulkhead was installed at the C Station Portal in 2013.
- The area around the Josephine tunnel has subsided leaving the tunnel open to surface.
- In late 2017 and early 2018, the Upper Dam experienced some erosion. Essar is currently conducting work to repair the damage.
- A water treatment plant with associated structures and infrastructure including a clarifier, lime silo, transformer, three pumps, pump house, buried pipeline, two septic tanks and drainage ditch, were constructed on the mine site and became operational in June 2018.
- The fencing surrounding the surface openings of the MacLeod Mine / Helen Mine area was moved a short distance and a gate added to accommodate the construction of the water treatment plant and drain.
- The condition of many of the buildings has deteriorated.
- Eight 45 gallon drums of waste oil were removed from site.
- Five chlorine tanks were relocated from the Magpie River Pump House to the Machine Shop.

According to the Notice of Material Change dated January 7, 2014, the Closure Plan was going to be revised to include items noted in the last inspection.

Summary of Non-Compliance Issues

Non-Compliance with Closure Plan

During the inspection, the following inconsistencies with the Closure Plan were noted.

1. According to the Closure Plan, Figure 9.19.1, p. 74, the following tasks would be completed by 2016: removal of unnecessary buildings and infrastructure; investigation of on-site soils and groundwater; and revegetation of remaining areas; however, none of these tasks had been completed at the time of the inspection.

Non-Compliance with the Mining Act and/or O.Reg. 240/00 and/or the Mine Rehabilitation Code

The site does not meet the requirements of the *Mining Act* and/or O.Reg. 240/00 and/or the Mine Rehabilitation Code in the following respects:

1. According to s. 139.1 (1) of the *Mining Act*, R.S.O. 1990, Chapter M14,
139.1(1) A proponent shall take all reasonable steps to progressively rehabilitate a site whether or not closure has commenced or a closure plan has been filed.

Progressive rehabilitation is not taking place in a timely manner. Operations on site ceased in 1998 and approximately 30 redundant buildings and structures, infrastructure, rail tracks and buried fuel tanks are still located on site. In addition, the area around the Josephine tunnel has subsided leaving the tunnel open to surface.

2. According to s. 144(1) of the *Mining Act*, R.S.O. 1990, Chapter M14,
(1) A proponent shall forthwith notify the Director in the prescribed form and manner of the commencement of closure and of any change in the stage of closure reached.

On December 10, 1997, ENDM received a letter from the proponent informing that the mine would be closing and underground operations would cease in May 1998 and sintering operations would cease in June 1998; however, the Closure Plan states, p. 62, that the site is in temporary suspension and that the site cannot be considered to be in the next stage of closure, a state of inactivity, until the planned water treatment and continuous monitoring ceases. This is incorrect. The term “monitored continuously” in the definition of temporary suspension is used to ensure that the monitoring programs that were in place during operation are continued until the site resumes production again. It is stated in the Closure Plan that there are no plans to reopen the MacLeod Mine, therefore the site cannot be in temporary suspension. Currently, the status of the site is “closing out” as per the December 10, 1997 letter. In a state of “closing out”, long-term water monitoring of the site is taken into consideration under O. Reg. 240/00, s. 24.(2)15 and Schedule 2, Item 10(ii).

3. According to s. 144(2) of the *Mining Act*, R.S.O. 1990, Chapter M14,
(2) A proponent shall forthwith notify the Director in the prescribed form and manner if,
 - (a) An expansion or alteration of the project is planned;*
 - (b) The ownership, occupancy, management or control of the project has changed; or*
 - (c) Any other material change has occurred that could reasonably be expected to have a material effect on the adequacy of the closure plan.*

Changes have occurred on site and have not been documented in a Notice of Material Change Form including: the Upper Dam spillway will undergo modifications to prevent further erosion of the Upper Dam; a water treatment plant with associated structures and infrastructure including a clarifier, lime silo, transformer, three pumps, pump house, buried pipeline, two septic tanks and drainage ditch, were constructed on the mine site and became operational in June 2018; the fencing surrounding the surface openings of the MacLeod Mine / Helen Mine area was moved a short distance and a gate added to accommodate the construction of the water treatment plant and drain.

4. The Closure Plan states, p. 68, that any remaining underground water supply and wastewater lines will be cut-off and remain buried in place; however, according to O. Reg. 240/00, s. 24(2) 5., all buildings, power transmission lines, pipelines, waterlines, railways, airstrips and other structures shall be dismantled and removed from the site to an extent that is consistent with the specified future use of the land.
5. According to O. Reg. 240/00, Schedule 2, 3.(iii), the Closure Plan must include:
3.(iii) a site plan of legible scale indicating the location of all project features, including all openings to the surface, in relation to the site boundaries and the claim numbers, parcel numbers and, where applicable, the township name, lot number and concession number.

The site plan is dated December 20, 2006 and does not show the location of all project features and openings to surface.

6. According to O. Reg. 240/00, Schedule 2, 5(v), the Closure Plan must include:
5(v) Details of existing and expected buildings and infrastructure on the site, including their size, type, use and location and a surface plan, at a legible scale, showing their location.

Several buildings located on site have not been included in the Closure Plan or the site plan: Brick Storage Shed, Diesel Storage, Eagle's Nest, Fire Hydrant Hut, Fire Hydrant Pipe Access, two Storage Sheds, Tire Storage Shed, Trestle, and Utility Box.

A water treatment plant with associated structures and infrastructure including a clarifier, lime silo, transformer, three pumps, pump house, buried pipeline, two septic tanks and drainage ditch, were constructed on the mine site and became operational in June 2018. The description, location and proposed rehabilitation of these mine features have not been addressed in the Closure Plan.

A shallow drainage sump was observed on the Sinter Plant site; however, its remediation has not been addressed in the Closure Plan.

The location of the Administration building septic tanks are not described in the Closure Plan or shown on the site plan.

7. According to O. Reg. 240/00, Schedule 2, 5(ix), the Closure Plan must include:
5(ix) details of any water management or treatment systems, including a description of the processes and physical facilities for such systems.

The newly constructed water treatment plant and processes are not described in the Closure Plan.

8. According to O. Reg. 240/00, Schedule 2, 5(x), the Closure Plan must include:
5(x) details of storage sites for petroleum products, chemicals, explosives, hazardous substances and toxic substances, including the quantity of materials stored, the size, nature and location of such storage areas and a surface plan of legible scale showing their location.

The location of the buried fuel tanks is not shown on the site plan.

9. According to O. Reg. 240/00, Schedule 2, 6(i), Progressive Rehabilitation, the Closure Plan must include:
6(i) details of any such measures anticipated during the life of the project, including a schedule for carrying them out.

The closure plan details progressive rehabilitation that has already taken place but does not provide details or a schedule for future progressive rehabilitation.

10. According to O. Reg. 240/00, Schedule 2, 12(i), the Closure Plan must include:
12(i) details of the expected costs of implementing the rehabilitation measures and monitoring programs required to close out the site, including at least a detailed expenditure schedule and an itemized estimate of capital costs and operating costs based on the market value of the material goods and services provided.

The costs calculated for the site are outdated and do not reflect current market value. Not all costs associated with the required rehabilitation items have been included in the costing table including, but not limited to: backfilling the Josephine Tunnel, filling in the drainage sump, remediation of hydrocarbon contaminated soils, closing out the landfill if re-opened to accept demolition debris, decommissioning and final removal of water treatment plant and associated infrastructure, and installation of additional groundwater wells.

Actions Required:

1. Complete progressive rehabilitation as per s. 139.1 (1) of the Mining Act, R.S.O. 1990, Chapter M14, which states, a proponent shall take all reasonable steps to progressively rehabilitate a site whether or not closure has commenced or a closure plan has been filed.
2. Submit a Notice of Material Changes form, by December 31, 2018, to the Director of Mine Rehabilitation addressing the following:
 - a. Update the proponent and contact person information.

- b. Provide details of how the Josephine Tunnel and Drainage Sump will be rehabilitated.
 - c. Provide details of the modifications that will be made to the Upper Dam spillway.
 - d. Provide details of the Water Treatment Plant and associated infrastructure and address how these structures will be decommissioned and removed once water treatment is no longer necessary.
 - e. Provide an update of the remaining buildings and infrastructure on site.
 - f. Fully justify why underground water supply and waste water lines will not be removed from the site at closure.
 - g. Update the details of petroleum products, chemicals, explosives, hazardous substances (including any asbestos in buildings), and toxic substances currently on site and the location of any storage tanks.
 - h. Provide an update of planned Progressive Rehabilitation activities and a schedule for their completion.
 - i. Update the schedule for completion of all remaining rehabilitation activities.
 - j. Correct the current status of the mine site to “closing out” and remove references to the site currently being in temporary suspension.
 - k. Provide a description of updated costs as well as appropriate adjustments in financial assurance.
3. Provide a copy of the report of the repairs made to the Upper Dam to the Director as soon as it is available.
 4. Submit an updated site plan. Please note the ENDM preferred datum is NAD 83.

Report Date: November 5, 2018

Signature: Deborah Stephenson
Inspection Officer

Photographs



Photo 1:
Shaft No. 3 showing
new sampling port.
Facing west.



Photo 2:
Shaft No. 5 with new
water treatment plant
in background.
Facing northwest.



Photo 3:
H221 Fresh Air Raise
within the fenced
area. Facing
northwest.



Photo 4:
H-222 Exhaust Raise
within fenced area.
Facing west.



Photo 5:
H-272 Exhaust Raise
showing sloughing of
pit walls. Facing
north.



Photo 6:
Victoria Pit Open
Stope. Facing west.



Photo 7:
Entrance to
Josephine Tunnel.
Facing northeast.



Photo 8:
End of Josephine
Tunnel showing
subsidence of fill
material. Facing
northwest.



Photo 9:
Helen Pit within
fenced area. Facing
northeast.



Photo 10:
Victoria Pit showing
increased sloughing
from pit walls. Facing
east.



Photo 11:
Drainage sump on
Sinter Plant site.
Facing south.



Photo 12:
Upper Pond. Facing
northeast.



Photo 13:
Upper Dam. Facing
northwest.



Photo 14:
Slump of material on
toe of Upper Dam.
Facing northeast.



Photo 15:
Upper Dam Spillway.
Facing north.



Photo 16:
Upper Dam Spillway.
Facing north.



Photo 17:
Upper Dam Spillway.
Facing south.



Photo 18:
Middle Pond from
Upper Dam. Facing
southwest.



Photo 19:
Revegetated Middle
Pond showing some
bare areas. Facing
north.



Photo 20:
Middle Pond showing
revegetation. Upper
Dam in background.
Facing east.



Photo 21:
Middle Dam. Facing east.



Photo 22:
Lower Pond showing
revegetation with
Middle Dam in
background. Facing
north.



Photo 23:
Lower Pond showing
revegetation with
Middle Dam in
background. Facing
north.



Photo 24:
Lower Pond showing
revegetation with
Lower Dam in
background. Facing
south.



Photo 25:
Lower Pond showing
revegetation with
Lower Dam in
background. Facing
south.



Photo 26:
Final discharge point
for water treatment
plant on the Magpie
River. Facing
southwest.



Photo 27:
Final discharge point
for water treatment
plant on the Magpie
River. Facing
southwest.



Photo 28:
Site of former final
drainage point/MISA
sampling point when
mine was in
operation. Facing
west.



Photo 29:
Drain from clarifier to
Boyer Lake. Facing
west.



Photo 30:
Drain from clarifier to
Boyer Lake. Facing
north.



Photo 31:
Boyer Lake receives
drainage from
clarifier. Facing
north.



Photo 32:
Administration
building has
deteriorated since last
inspection. Facing
north.



Photo 33 :
Brick Storage shed is
very unstable. Facing
west.



Photo 34:
Cable Belt Drive
House showing no
significant changes.
Facing northwest.



Photo 35 :
Carpenter Shop
condition has
deteriorated since last
inspection. Facing
north.



Photo 36:
Cold Storage building
showing siding falling
off. Facing east.



Photo 37:
New cold storage
building. Facing
southeast.



Photo 38:
Compressor House
showing broken and
boarded windows,
fuel tank. Facing
south.



Photo 39:
Compressor/Boiler
House and oil tanks.
Facing north.



Photo 40:
Diesel Storage area
showing site of two
buried diesel tanks.
Facing north.



Photo 41:
Eagle's Nest has
been unheated since
furnace broke last
year. Facing
southwest.



Photo 42:
Fence around mine
openings. New gate
added to
accommodate access
to drain. Facing
north.



Photo 43 :
Fencing around
surface openings on
mine site in good
condition. Facing
east.



Photo 44:
Fire Hydrant Hut
condition has
deteriorated since the
last inspection.
Facing north.



Photo 45:
Fire Hydrant Pipe
access. Facing
northwest.



Photo 46:
Gate house and gate
to Sinter Plant site.
Facing south.



Photo 47:
Machine shop
showing boarded
windows. Facing
northwest.



Photo 48:
Machine Shop, back
of building. Facing
south.



Photo 49:
Magpie River Pump
house. Facing
southeast.



Photo 50:
Metal Gold Storage.
Facing northeast.



Photo 51:
Moran Lake Pump
House supplies water
to the Water
Treatment Plant.
Facing west.



Photo 52:
Motor Storage Shed.
Facing east.



Photo 53:
Office part of
Office/Warehouse
building. Facing
northwest.



Photo 54:
Warehouse part of
Office/Warehouse
building. Facing
southwest.



Photo 55:
Oil Shed. The windows are broken and some shingles are missing. Facing south.



Photo 56:
Parking lot on former Sinter Plant site showing significantly more tree growth than last inspection. Some powerlines and light standards still in place. Facing west.



Photo 57:
Pipe Shop, front.
Facing northwest.



Photo 58:
Pipe Shop, back.
Facing east.



Photo 59:
Scale house and two
storage sheds near
Sinter Plant gate.
Facing southwest.



Photo 60:
Scale House showing
tracks. Facing south.



Photo 61:
Screen Shed, very
unstable. Facing
northeast.



Photo 62:
Tire Storage Shed.
Surrounding
vegetation denser
than at last
inspection. Facing
west.



Photo 63 :
Tool Storage Shed,
very unstable. Facing
northeast.



Photo 64:
Trestle for water line.
Facing northwest.



Photo 65:
Utility Box on Sinter
Plant site. Facing
north.



Photo 66:
Water Treatment
Plant, Lime Silo, and
Clarifier. Facing
west.



Photo 67:
Water Treatment
Plant and Clarifier,
back view. Facing
southwest.



Photo 68:
Water Treatment
Plant interior. Facing
north.



Photo 69:
Water Treatment
Plant Clarifier
showing access.
Facing northwest.



Photo 70:
Water Treatment
Plant Clarifier interior
showing recycling
pumps and waste
water pipe to Boyer
Lake on far right.
Facing northwest.



Photo 71:
Light standard fallen
over on Sinter Plant
site. Facing south.



Photo 72:
Revegetated landfill
site. Facing
southwest.



Photo 73:
Revegetated landfill
site. Facing west.



Photo 74:
Moran Lake Pump
house and waterline
to Water Treatment
Plant. Facing
northwest.



Photo 75:
New transformer
adjacent to Water
Treatment Plant.
Facing northwest.



Photo 76:
No. 5 Substation on
Sinter Plant site.
Facing north.



Photo 77:
Three transformers
on north side of the
Cable Belt Drive
House. Facing south.



Photo 78:
Three new pumps to
service the Water
Treatment Plant.
Facing northwest.



Photo 79:
Oil tanks at the
Compressor Boiler
House showing
deterioration of the
tanks and concrete
base. Facing
northeast.



Photo 80:
Diesel tank on north
side of the
Warehouse building.
Facing southwest.



Photo 81:
Two oil tanks are buried on the northeast side of the New Garage building. Facing northwest.



Photo 82:
Lime silo adjacent to Water Treatment Plant. Facing northeast.



Photo 83:
Interior of Motor
Storage Shed
showing eight 45
gallon drums of waste
oil have been
removed. Facing
east.



Photo 84:
Septic tanks located
on the northwest side
of the Water
Treatment Plant.
Facing northeast.

SCHEDULE "E"
ONTARIO SUPERIOR COURT OF JUSTICE – CCAA MONITOR'S
CERTIFICATE – OLD STEELCO INC.

See attached.

DRAFT

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF OLD STEELCO INC., ESSAR TECH ALGOMA INC.,
ALGOMA HOLDINGS B.V., ESSAR STEEL ALGOMA (ALBERTA) ULC,
CANNELTON IRON ORE COMPANY AND ESSAR STEEL ALGOMA INC. USA

(Applicants)

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order, as amended and restated, of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated November 9, 2015, Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated January 22, 2021, the Court approved the agreement of purchase and sale (the "**Sale Agreement**") between Ernst & Young Inc., solely in its capacity as Court-appointed Monitor acting for and on behalf of Old Steelco Inc., and without personal or corporate liability (the "**Vendor**") and Algoma Ferrous Industries Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Properties, which vesting is to be effective with respect to the Properties upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Properties; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Vendor.

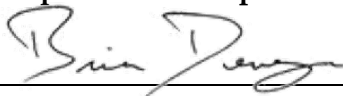
C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Vendor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The Vendor and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable.
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at 3:00pm on February 10, 2021.

OLD STEELCO INC.

BY ERNST & YOUNG INC., solely in its capacity as Court-appointed Monitor, and without personal or corporate liability

Per: 
Name: Brian Denega
Title: Senior Vice President

By: _____
Name:
Title:

I/We have authority to bind the corporation.

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

Court File No. CV-15-000011169-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD STEELCO
INC., ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

MONITOR'S CERTIFICATE

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

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100 King Street West, Suite 1600

Toronto, Ontario Canada M5X 1G2

Nicholas Kluge LSUC#: 44159T

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Lawyer for the Monitor

SCHEDULE "F"
DEFERRAL AGREEMENT CONCERNING CERTAIN HISTORICAL
LIABILITIES AT THE MACLEOD MINE – DECEMBER 14, 2020

See attached.

DRAFT

**DEFERRAL AGREEMENT CONCERNING CERTAIN HISTORICAL LIABILITIES
AT THE MACLEOD MINE**

BETWEEN: **ALGOMA FERROUS INDUSTRIES INC.**, a corporation established under the laws of Ontario;

AND: **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO**, as represented by the Minister of the Environment, Conservation and Parks;

AND: **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO**, as represented by the Minister of Energy, Northern Development and Mines

Dated: December 14, 2020

RECITALS (capitalized terms used in these recitals and not defined are defined below)

WHEREAS on November 9, 2015, Old Steelco Inc., (under its prior name Essar Steel Algoma Inc., "**ESAI**"), and certain of its affiliates entered creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**");

AND WHEREAS the ENDM Director of Mine Rehabilitation has issued an order dated May 9, 2017 in respect of the implementation of certain rehabilitation measures (the "**Director's Order**"), under which ENDM constructed and is operating the wastewater treatment plant on the MacLeod Mine site;

AND WHEREAS ESAI and its affiliates have completed a restructuring transaction including the sale of its steel mill in Sault Ste. Marie, Ontario and certain related assets, but ESAI continues to own certain other properties, including the MacLeod Mine and the Subject Properties thereupon, the Goudreau Pits, and certain other properties in northern Ontario (collectively, the "**Excluded Assets**"), and remains insolvent;

AND WHEREAS on November 26th, 2018, a post-closing administration order was made by the CCAA Court empowering Ernst & Young Canada Inc., in its ongoing capacity as CCAA Court-appointed monitor of ESAI (the "**Monitor**"), to sell the Excluded Assets;

AND WHEREAS AFI has entered or will enter into an agreement of purchase and sale to acquire certain of the Excluded Assets, including the Subject Properties, subject to conditions including approval of the CCAA Court (the "**Acquisition Transaction**"), and AFI has requested time-limited relief from the Province related to known historical environmental contamination and mining hazards on the Subject Properties in connection with the same;

AND WHEREAS the purpose of the Acquisition Transaction is to contribute to AFI's project to develop a new open pit mine together with a beneficiation plan in the Wawa area and direct reduced iron plants in any of Wawa, Sault Ste. Marie and Hearst, Ontario (the "**DRI Project**");

AND WHEREAS the Province recognizes that the DRI Project, if it succeeds, has the potential to provide a net economic and social benefit to Ontario, and that AFI, through this Agreement, is committing to provide support to rehabilitation work currently being conducted at the Subject Properties pursuant to the Director's Order;

NOW THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. Definitions and Interpretation

1.1 Definitions.

- (a) **"Acquisition Transaction"** has the meaning given to it in the recitals herein;
- (b) **"AFI"** means Algoma Ferrous Industries Inc.;
- (c) **"Agreement"** means this agreement, including all schedules thereto;
- (d) **"Business Day"** means any day of the year, other than a Saturday, Sunday, or day on which Canadian chartered banks are closed for business in Sault Ste. Marie, Ontario;
- (e) **"CCAA Court"** has the meaning given to it in the recitals;
- (f) **"Claims"** has the meaning given to it in Section 3.1 of the Agreement;
- (g) **"Closing Date"** means the date on which the Acquisition Transaction is completed and title to the Subject Properties is vested in AFI by the CCAA Court;
- (h) **"Communication"** has the meaning given to it in Section 10.1 of the Agreement;
- (i) **"Contaminant"** has the meaning given to it in the EPA;
- (j) **"D&Os"** means (i) Brian Hamm; (ii) Bruce Bent; and (iii) upon the Province receiving written notice and proof of election or appointment during the Deferral Period, and as and when such person is elected or appointed, any other duly elected or appointed director or senior officer of AFI.
- (k) **"Deferral Period"** means the period of time described in Section 5.1 of the Agreement;
- (l) **"Deferred Claims"** has the meaning given to it in Section 3.1 of the Agreement;
- (m) **"Deferred Legislation"** means the Environmental Legislation and the Mining Act;

- (n) “**Director’s Order**” has the meaning given to it in the recitals;
- (o) “**DRI Project**” has the meaning given to it in the recitals;
- (p) “**ENDM**” means the Ministry of Energy, Northern Development and Mines;
- (q) “**ENDM Director of Mine Rehabilitation**” means the Director of Mine Rehabilitation appointed pursuant to subsection 153(2) of the *Mining Act* (Ontario);
- (r) “**Environmental Legislation**” means, collectively, the EPA and the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, including their regulations;
- (s) “**EPA**” means the *Environmental Protection Act*, R.S.O. 1990, c. E.19;
- (t) “**ESAI**” has the meaning given to it in the recitals, and includes all predecessor entities of Old Steelco Inc.;
- (u) “**Event of Default**” has the meaning given to it in Section 9.1 of the Agreement;
- (v) “**FIPPA**” means the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F31;
- (w) “**FAA**” means the *Financial Administration Act*, R.S.O. 1990, c. F. 12.
- (x) “**Historical Liabilities**” means any one or more of the following: (i) any Contaminant present in soil, sediment, or groundwater at the Subject Properties to the extent described in the MacLeod Closure Plan, and (ii) any Mine Hazard at the Subject Properties to the extent described in the MacLeod Closure Plan, Inspection Report, or both; for the purposes of determining the extent of a Mine Hazard, if there is any conflict between the description in the MacLeod Closure Plan and the Inspection Report, the description in the Inspection Report shall prevail;
- (y) “**Inspection Report**” means the mine rehabilitation inspection report prepared by Deborah Stephenson of ENDM in relation to inspections of the MacLeod Mine occurring June 20, 2018 and June 21, 2018.
- (z) “**MacLeod Closure Plan**” means the closure plan for the MacLeod Mine prepared for Algoma Steel Inc. (predecessor to ESAI) by SENES Consultants Limited, Denison Environmental Services, and Hunt Engineering Group, revised January 2008, as filed with ENDM;
- (aa) “**MacLeod Mine**” means the mining properties commonly known as the MacLeod Mine (including the properties known as the Victoria Pit, the Sir James Dunn Pit, the George W. MacLeod Mine and the MacLeod Mine) owned by ESAI on the Closing

Date and located adjacent to the Magpie River immediately north of the town of Wawa, Ontario;

- (bb) **“Mine Hazard”** has the meaning given to it in the Mining Act;
- (cc) **“Mining Act”** means the *Mining Act*, R.S.O. 1990, c. M.14, and its regulations;
- (dd) **“MECP”** means the Ministry of the Environment, Conservation and Parks;
- (ee) **“Monitor”** has the meaning given to it in the recitals;
- (ff) **“Parties”** means AFI and the Province;
- (gg) **“Province”** means Her Majesty the Queen in Right of Ontario, as represented by the Minister of the Environment, Conservation and Parks and the Minister of Energy, Northern Development and Mines;
- (hh) **“Subject Properties”** means the properties to which the MacLeod Closure Plan applies, as described under the list of PINs attached in Schedule “A” hereto, and further delineated on the site plan provided as part of the MacLeod Closure Plan and reproduced on Schedule “A” hereto; to the extent of any conflict between the list of PINs and the site plan, the delineation on the site plan shall be determinative;
- (ii) **“Work Plan”** has the meaning ascribed to it in Section 6.2;
- (jj) **“WWTP”** means the wastewater treatment plant constructed at the Subject Properties pursuant to the Director’s Order;

1.2 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of this Agreement; they are for reference only and will not affect the interpretation of this Agreement;
- (d) any reference to dollars or currency is to Canadian dollars and currency;
- (e) the words “include”, “includes” and “including” denote that the subsequent list is not exhaustive; and

- (f) unless otherwise expressly stated, the phrase “sole discretion” means sole, absolute and unfettered discretion. Notwithstanding any other provision of this Agreement or any laws to the contrary, it is the express intention of the Parties that the words “sole discretion” mean the exercise of the applicable right, determination or discretion in a manner that is completely subjective in all respects and does not create or imply a duty or obligation of any kind on the part of the Party or person exercising such right, determination or discretion to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention of the Parties that the exercise of “sole discretion” will not be subject to any restriction, limitation, challenge or review of any kind whatsoever at any time by the other Party, any court or any other person.

2. Payments Toward Historical Liabilities

2.1 Payment Schedule. AFI shall pay \$1 million (\$1,000,000) to the Province in a series of installments, as follows:

- (a) \$200,000, due on the Closing Date;
- (b) \$400,000, due on the first anniversary of the Closing Date; and
- (c) \$400,000, due on the second anniversary of the Closing Date.

2.2 Payment Method. Each of the payments in Section 2.1 above shall be made by certified cheque, confirmed pre-authorized electronic payment, confirmed electronic funds, or such other manner as the ENDM Director of Mine Rehabilitation may agree in writing. Payments shall be deposited to a special purpose account designated by the Director of Mine Rehabilitation in writing, or to such other account as the Director of Mine Rehabilitation may direct.

2.3 Use of Payments. Payments received by ENDM shall be used toward either: (i) the implementation by ENDM of rehabilitation measures set out in the MacLeod Closure Plan; or (ii) in the event that minister’s directions are issued pursuant to s. 148(3) of the Mining Act, toward the costs of work done by employees and agents of ENDM pursuant to s. 148(5) of the Mining Act.

2.4 Set-off. Without limiting any of the Province’s other rights under this Agreement, the FAA, or other applicable law, if any installment of funds due under Section 2.1 is not paid when due, the Province may deduct any unpaid amount from any money payable to AFI by the Province. Payments owed by AFI to the Province are to be made without setoff or deduction.

3. Deferral of Regulatory or Civil Action in Respect of Historical Liabilities

3.1 Deferred Claims. Subject to the terms and conditions of this Agreement, and for the duration of the Deferral Period, the Province will agree not to pursue against AFI or, to the extent applicable, its D&Os, any of the following (collectively, “**Claims**”):

- (a) regulatory action under or pursuant to the Deferred Legislation; or
- (b) civil claim, whether arising under or pursuant to the Deferred Legislation or otherwise at common law;

in each case to the extent that such Claims are in respect of Historical Liabilities (such Claims, the “**Deferred Claims**”).

AFI’s legal liability for the Historical Liabilities and, where applicable, the legal liability of its directors and officers, would continue throughout the Deferral Period. At the end of the Deferral Period, the Province would be entitled to pursue any Deferred Claim against AFI and, where applicable, the D&Os.

3.2 D&Os. AFI’s directors and officers have a duty to take all reasonable care to ensure that AFI is complying with its obligations under this Agreement. Section 3.1 above does not apply to any D&O which has failed to discharge this duty during any of his respective terms as a director and/or officer with AFI.

4. No Deferral of Certain Regulatory or Prosecutorial Actions

4.1 Non-Application. Nothing in this Agreement limits the Province’s authority, and AFI’s corresponding duties, with respect to the following:

- (a) prosecutions of offences under the Deferred Legislation or other applicable laws;
- (b) AFI’s ongoing compliance with the Deferred Legislation, including any instruments, permits, or approvals issued thereunder, in respect of issues other than Historical Liabilities; for greater certainty:
 - i. neither the Agreement nor the acceptance by the Province of a Work Plan absolves AFI of complying with any applicable laws, including in respect of any exploration, advanced exploration, or any other activities that it conducts, and
 - ii. if AFI’s activities worsen the environmental or physical condition of any of the Subject Properties, including where such conditions are worsened beyond any baselines set out in the MacLeod Closure Plan or Inspection Report, any potential Claims of the Province are not deferred under Section 3.1 of this Agreement;

- (c) AFI's ongoing compliance with applicable laws other than the Deferred Legislation;
- (d) regulatory inspections authorized by the Deferred Legislation or other applicable laws;
- (e) the authority of the ENDM Director of Mine Rehabilitation to issue orders pursuant to s. 145(2) of the Mining Act, or register the same in the land titles office; and
- (f) the authority of ENDM's minister under s. 148(3) of the Mining Act to issue directions to ENDM employees and agents.

5. Deferral Period and Term

5.1 Deferral Period. The Deferral Period shall begin on the effective date of this Agreement, and shall end on the earliest of the following occurrences:

- (a) the passage of three years from the effective date of the Agreement;
- (b) the sale, transfer or assignment by AFI of any interest in any of the Subject Properties;
- (c) the date on which an Event of Default exists, after any associated notice or cure period has expired; and
- (d) the filing by AFI of a closure plan for mine production for the Subject Properties, pursuant to the Mining Act.

5.2 Extension. The Deferral Period may only be extended by written agreement of the Parties. The Province will evaluate any request by AFI to extend the Deferral Period in its sole discretion.

5.3 Tolling. For the duration of the Deferral Period, the Parties agree to toll and suspend the running of the applicable statutes of limitations, laches, or other doctrines related to the passage of time, and any claims or defences based upon the application of any statute of limitations, contractual limitation, or any time-related doctrine including waiver, estoppel, or laches, are hereby suspended.

6. Covenants

6.1 Non-Interference. AFI will not take any steps that would, directly or indirectly, have the effect of interfering with the implementation of the Director's Order, without the advance written consent of ENDM.

6.2 Work Plan. For the duration of the Deferral Period:

- (a) At least 60 days before commencing exploration activities or any other material work on the Subject Properties, AFI shall provide to the Province a draft work plan that identifies detailed plans for any exploration activities or other material work at the Subject Properties during the Deferral Period (the “**Work Plan**”).
- (b) The Province shall review the draft Work Plan for the purposes of determining: (i) whether the described activities would interfere with, or increase the costs of, the operation of the WWTP and/or any rehabilitation activities planned by the Province and/or (ii) could materially adversely impact the environmental condition of the Subject Properties, and shall respond to the Work Plan in good faith, having regard to (i) and (ii) above, and endeavour to respond within 45 days of receipt.
- (c) AFI shall not proceed with any exploration activities or other material work activities on the Subject Properties that have not been described in a Work Plan that has been accepted by the Province, as amended from time to time; material changes to the Work Plan would require consent of the Province and, if requested by the Province, an amendment to the Work Plan.

6.3 Rights of Access. AFI hereby grants the Province and its agents and contractors the rights of egress and ingress over those areas of the Subject Properties necessary to or desirable to access, maintain, and operate the WWTP and related pipelines, including the provision to the WWTP of electricity and any other utility, to the extent (if any) that such rights are not already available to the Province pursuant to the Director’s Order.

6.4 Required Onsite Work. AFI shall cause the following work to be done at the Subject Properties during the Deferral Period:

- (a) AFI shall maintain any existing fencing and signage at the Subject Properties throughout the Deferral Period, which maintenance shall be undertaken at AFI’s cost;
- (b) AFI shall meet with ENDM representatives to identify what other fencing, gates, and signage are required to be installed to protect the Subject Properties and persons having access thereto, which installation shall be undertaken at AFI’s cost;
- (c) AFI shall ensure that access roads to the Subject Properties are sufficiently maintained such that heavy equipment belonging to ENDM or its agents or contractors can access the WWTP, including the Moran Lake fresh water pump station and the effluent discharge line to the Magpie River, as required for normal operation, maintenance, and inspection, throughout the Deferral Period; such maintenance includes snow removal and any year-round maintenance required. ENDM will reimburse up to 50% of the costs of such work, to a maximum of \$26,000 per government fiscal year;

- (d) AFI shall continue the program of groundwater and surface water monitoring that, prior to the closing date, was undertaken by the Monitor, subject to any recommended reductions in scope as may be confirmed by the Province in writing; this monitoring work shall be undertaken at AFI's cost; and
- (e) AFI shall ensure that site security is provided including, at a minimum: (i) daily property tours; (ii) coordination and assistance with police response, if necessary; (iii) seasonal checks of all flood plains on local property with respect to beaver activity (ponds and dams) as well as tailings areas; and (iv) facilitating tower access for third parties, where requested by such third parties; this site security shall be undertaken at AFI's cost.

6.5 Co-Operation in Emergency Circumstances. Despite Section 3.1, in the event of the occurrence of the type of circumstances described in s. 148(2) of the Mining Act or in ss. 143(3)(a), (b), or (c) of the EPA, AFI shall cooperate with any actions taken by the Province to remediate such circumstances or prevent, eliminate, or ameliorate any adverse effects.

6.6 Information. AFI shall provide the Province with the following:

- (a) electronic copies of any reports provide to AFI in connection with the groundwater and surface water monitoring described in Subsection 6.4(c), above, within 30 days of obtaining a final copy of the same;
- (b) electronic copies of any reports it obtains as a result of its exploration or study of the costs of remediation of the Subject Properties, within 30 days of obtaining a final copy of the same; and
- (c) electronic copies of any reports, circulars, business plans, financial statements, or *pro forma* financial modeling, within 30 days of such documents being provided to current or potential shareholders or lenders of AFI or its related entities, to the extent that the Province has not already received the same.

6.7 Public Announcement. AFI shall not make a press release or public announcement regarding the existence of this Agreement or the content of any of its provisions without the prior written approval of the Province regarding the timing and content of any such press release or public announcement.

7. Conditions Precedent to Effectiveness

7.1 This Agreement shall become effective when all of the following conditions have been met:

- (a) it has been executed and delivered by all of the Parties;
- (b) the CCAA Court has issued an approval and vesting order approving of the Acquisition Transaction and vesting title to the Subject Properties in AFI, subject

to the permitted encumbrances set out therein, which approval and vesting order must not have been opposed by the Province; and

- (c) payment of the first installment referred to in Section 2.1 of this Agreement has been received by the Province.

8. Acknowledgements

8.1 **Mining Act Debt.** AFI acknowledges that, without limiting Section 4.1 of this Agreement, nothing in this Agreement derogates from or otherwise affects the application of s. 151 of the Mining Act; accordingly:

- (a) the costs of implementing rehabilitation measures pursuant to the Director's Order, and any subsequent orders or minister's directions which are not prohibited by this Agreement, are debts due to the Province by AFI as the proponent of the MacLeod Mine site, although the recoverability of such debts are subject to the terms and conditions of this Agreement; and
- (b) the Province may register notice of such debt in the proper land registry office and no transfer or other dealing with the MacLeod Mine site shall take place until the debt is paid and the notice is cancelled, pursuant to s. 151(4) of the Mining Act.

8.2 **Public Accountability.** The Province is subject to FIPPA and is accountable to the Executive Council of the Ontario Government, its committees, the Legislative Assembly and the general public of Ontario, and the contents of this Agreement and any commitments or agreements arising therefrom and any related documents may form part of the public record.

9. Events of Default

9.1 Any one or more of the following occurrences is an "Event of Default":

- (a) AFI fails to make any payment owed under Section 2.1 of this Agreement when due, and such failure continues 5 Business Days after the applicable due date, whether or not notice of same has been provided by the Province;
- (b) any representation or warranty provided by AFI to the Province herein, or by AFI or Algoma Ferrous Corp. in connection with the business overview document dated May 7, 2019, was incorrect in any material respect on the date on which such representation or warranty was made;
- (c) a change in the direct or indirect control of AFI which has not been consented to by the Province, which consent may be provided or withheld in the Province's sole discretion;

- (d) a purported assignment in breach of section 11.6 of this Agreement;
- (e) a default or breach by AFI of any term or covenant in this Agreement, other than those listed in Subsections 9.1 (a) through (d) above, which default or breach is not cured within 5 Business Days after notice thereof is delivered by the Province to AFI;
- (f) AFI, through its own negligence, recklessness, willful blindness or willful misconduct or its failure to comply with the Deferred Legislation, alters, exposes, exacerbates or mobilizes any of the Historical Liabilities in such a way that it causes or is likely to cause an adverse effect (as defined in any the EPA) off-site, which issue is not cured within 5 Business Days after notice thereof is delivered by the Province to AFI;
- (g) AFI: (i) is dissolved, liquidated, or wound up or makes a proposal in writing to be dissolved; (ii) admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement, or composition with or for the benefit of its creditors; (iv) institutes a proceeding seeking a judgment of bankruptcy or a receiving order or an order adjudicating or declaring it to be bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debt under any law including any bankruptcy or similar laws for the relief of debtors, including the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*; (v) has a resolution passed for its winding-up, official management, or liquidation; (vi) seeks or becomes subject to the appointment of an administrator, liquidator, receiver, receiver manager, trustee, or similar official for it or for all or substantially all its assets; (vii) has a secured party take possession of a substantial or material portion of its assets or has a distress, execution, attachment, sequestration, or other legal process levied or enforced on or against a substantial or material part of its assets; (viii) ceases to carry on business; or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts or events; and
- (h) any bankruptcy, reorganization, arrangement, or insolvency proceedings for relief under any bankruptcy or similar laws for the relief of debtors, including any of the proceedings or petitions described in subparagraph (g) above are instituted against AFI and consented to by AFI or, if contested by AFI, are not dismissed within 30 days.

10. Notice

- 10.1 Notice.** Any notice or other communication to be given hereunder (in each case, "**Communication**") must be in writing and given by personal delivery, courier, registered

mail, or electronic means of communication, in each case addressed to the respective Parties as follows:

- (a) In the case of the Province:

to ENDM:

Ministry of Energy, Northern Development and Mines
Mineral Development Branch
Willet Green Miller Ctr Level B6
933 Ramsay Lake Road
Sudbury, Ontario
P3E 6B5

Attention: Director of Mine Rehabilitation

Email: brian.mcmahon@ontario.ca

and to MECP:

Ministry of the Environment, Conservation and Parks
Sudbury District Office
199 Larch Street, Suite 1201
Sudbury, Ontario, P3E 5P9

Attention: District Manager

Email: brian.cameron@ontario.ca, with a copy to:
mecpsaultstemarie@ontario.ca

- (b) In the case of AFI:

Algoma Ferrous Industries
6745 Century Avenue, Unit 6
Mississauga, Ontario L5N 6P7
Attention: Brian Hamm
E-mail – bhammscpi@bell.net

with a copy to :

Wishart Law Firm LLP
390 Bay Street, Suite 500
Sault Ste. Marie, Ontario P6A 1X2
Attention: Gordon Acton / Steven G. Shoemaker
E-Mails – gacton@wishartlaw.com / sshoemaker@wishartlaw.com

or as may be changed by notice to the other Party in accordance with this Section. Any Communication given by personal delivery, registered mail, or courier shall be deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication given by electronic means on a Business Day before 4:00 p.m. shall be deemed to have been given and received on such Business Day, and otherwise shall be deemed to have been given and received on the first Business Day following transmission.

11. General


- 11.1 Representations and Warranties.** AFI represents and warrants that it is a duly incorporated corporation and is existing pursuant to the laws of the Province of Ontario, and that it has taken all necessary corporate actions to authorize, and has duly executed and delivered, this Agreement.
- 11.2 Waiver and Amendment.** Any covenant, condition, or other term in favour of a Party may only be waived by such Party, and only in writing. This Agreement may not be amended or otherwise modified except by an instrument in writing executed by the parties hereto.
- 11.3 Severability.** Any provision of this Agreement that a court of competent jurisdiction finds to be invalid or unenforceable will be deemed to be severed and will not affect the validity or enforceability of any other provision of this Agreement.
- 11.4 Survival.** Any claim against any of the Parties arising out of this Agreement shall survive the end of the Deferral Period. Without prejudice to the survival of any other terms or conditions that are intended to survive the end of the Deferral Period, Sections 2 and Section 11, along with any cross-referenced sections or definitions, shall survive the end of the Deferral Period.
- 11.5 Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of Ontario and the applicable federal laws of Canada.
- 11.6 Assignment.** The rights, benefits, and obligations of AFI under this Agreement are not assignable to any other person without the prior written consent of the Province, which may be provided or withheld in the Province's sole discretion. The rights and benefits provided to D&Os under Section 3 of this Agreement are not assignable.
- 11.7 Counterparts.** This Agreement may be executed and delivered in several counterparts, all of which together shall constitute one and the same instrument.
- 11.8 Electronic Signature.** This Agreement may be executed by electronic signature and delivered by e-mail transmission, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature.


- 11.9 Beneficiaries and Enurement.** The covenants contained in this Agreement only benefit the Parties, and, in respect of Section 3 and where applicable, the D&Os. This Agreement shall enure to the benefit of the Parties and where applicable the D&Os, and, as applicable, their respective successors, executors, trustees, and permitted assigns.
- 11.10 Parties Independent.** Neither AFI nor its D&Os or any of its affiliates are an agent, joint venturer, partner, or employee of the government of Ontario, and AFI shall not take any actions that could establish or imply such a relationship.
- 11.11 Time Periods.** Time shall be of the essence of this Agreement.
- 11.12 Further Assurances.** AFI will from time to time do, execute, and deliver, or cause to be done, executed, and delivered, all acts and documents as may be reasonably required by the Province for the purposes of carrying out this Agreement.
- 11.13 Entire Agreement.** This Agreement constitutes the entire agreement among the Parties, or between any of them, relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions, or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first entered above:

ALGOMA FERROUS INDUSTRIES INC.

Per: 
Name: Brian Hamm
Title: President

Per: 
Name: Bruce Bent
Title: Director

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of the Environment, Conservation and Parks

Per: _____
Name: Serge Imbrogno
Title: Deputy Minister

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of Energy, Northern Development and Mines

Per: _____
Name: Stephen Rhodes
Title: Deputy Minister

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first entered above:

ALGOMA FERROUS INDUSTRIES INC.

Per: _____
Name: Brian Hamm
Title: President


Per: _____
Name: Bruce Bent
Title: Director

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of the Environment, Conservation and Parks

Per: **Serge Imbrogno** _____
Name: Serge Imbrogno
Title: Deputy Minister

Digitally signed by Serge Imbrogno
DN: cn=Serge Imbrogno, o, ou, email=serge.imbrogno@ontario.ca, c=CA
Date: 2020.12.14 08:54:47 -05'00'

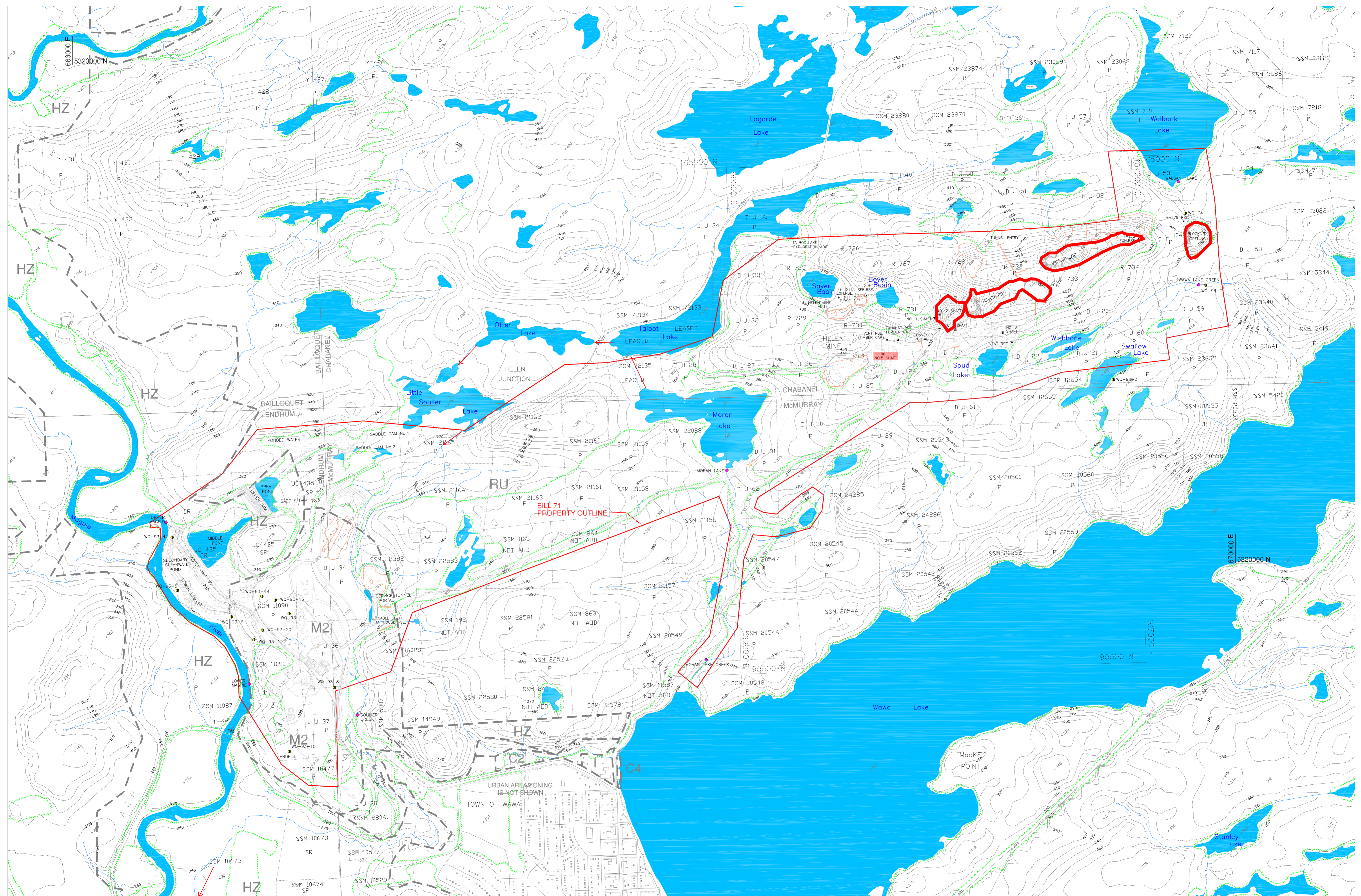
HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of Energy, Northern Development and Mines

Per:  _____
Name: Stephen Rhodes
Title: Deputy Minister

SCHEDULE "A"
SUBJECT PROPERTIES

The lands described under the following PINs or parts of PINs, as more particularly delineated in the site plan provided as part of the MacLeod Closure Plan and reproduced on the following page:

1. 31170-0056
2. 31170-0052 (part)
3. 31169-2191
4. 31169-2193 (part)
5. 31169-2258 (part)
6. 31169-0473 (part)
7. 31169-1044
8. 31169-1051
9. 31169-1018 (part)
10. 31169-1026
11. 31169-1029
12. 31169-0459
13. 31169-1015
14. 31169-1016
15. 31169-1017
16. 31169-1052
17. 31158-0110
18. 31158-0114
19. 31158-0112
20. 31158-0113
21. 31158-0111
22. 31158-0138
23. 31158-0115
24. 31158-0144
25. 31158-0117



NOTES

- Produced by Terrance Surveying Ltd. under Licence with the Ontario Ministry of Northern Development and Mines (MNDM) as well as the Ontario Ministry of Natural Resources © Queens Printer for Ontario, 2006.
- OBM mapping is based on 1978 photography.
- Mine structures and property limits were derived from Algoma Steel Inc. archives and MNDM data (May 11, 2008).
- Mapping extent parameters - NAD83 WGS 1984 UTM Zone 18N Central Meridian - 877W
- Lands comprising Bill 71 are zoned rural unless noted otherwise and was derived from municipal data.

95000 H - denotes Imperial Mine Grid
 5320000 N - denotes UTM Grid
 - denotes Decommissioned Surface Facilities
 - denotes ground water sample location
 - denotes surface water sample location
 - denotes mine openings
 - denotes Zoning Limits
 C2 - Zoning Code - LocalHighwayCommercial
 C4 - Zoning Code - WaterfrontCommercial
 HZ - Zoning Code - HazardLands
 I - Zoning Code - Institutional
 M2 - Zoning Code - RestrictedIndustrial
 RU - Zoning Code - Rural

REV. No. & DATE	REV. No. & DATE

DATE	December 13, 2006
FILE	WawaAOD-1.dwg
LAYOUT	WawaAOD-1a
APPROVED BY	I. Ludgate
DATE	Dec. 20, 2006

ALGOMA STEEL INC.
MACLEOD MINE CLOSURE PLAN
PLAN 1 - SITE PLAN

