

BENDING LAKE IRON GROUP LIMITED SISP TERMS AND CONDITIONS

1. A. Farber & Partners Inc., solely in its capacity as court appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Bending Lake Iron Group Limited (“**BLIG**”) and not in any other capacity, is requesting binding offers and proposals (hereinafter called “**Offers**”) to purchase the right, title and interest, if any, in all or any part of the Property or to make an investment via debt or equity in BLIG (any such transaction, a “**Transaction**”).
2. The Property includes, without limitation, the mine site consisting of 49 patented freehold claims and three Mining Licenses of Occupation for a total land area of approximately 624 hectares (the “**BLIG Property**”). A more detailed description of the BLIG Property is included in Sections 5 and 6 of this Confidential Information Memorandum (the “**Memorandum**”). The Property specifically excludes any “Personal Information” collected by BLIG in the course of any “Commercial Activity” as those terms are defined in the *Personal Information Protection and Electronic Documents Act* (Canada). This sales and investor solicitation process (the “**SISP**”) should NOT be construed as a “Sale by Tender”.
3. Any lists, schedules or other information prepared or made available by the Receiver and/or BLIG in connection with the invitation for a Transaction does not form part of these Terms and Conditions and has been prepared and provided solely for the reference by and the convenience of the prospective offerors (the “**Interested Parties**”). The Receiver makes no representations or warranties , whether statutory, express or implied, oral or written, legal, equitable, collateral or otherwise, that such information is complete, accurate or correct and any and all representations and warranties, express or implied, are hereby disclaimed.
4. All Offers for a Transaction shall be addressed and delivered by email, prepaid mail, courier or facsimile to the Receiver at:

Address: A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, ON M5H 3S5

Fax: (416) 496-3839

Email: pcrawley@farberfinancial.com

Attention: Peter Crawley

Offers will be considered on an individual basis, as and when received. Accordingly, the Receiver may in its sole discretion choose to accept an Offer either on or after the Bid Deadline (**4:00 pm Eastern Standard Time on Friday, February 27, 2015**) in its absolute discretion. All Offers are subject to the approval of the Ontario Superior Court of Justice (the "**Court**"). The closing of any Transaction(s) shall take place at a location and time as set by the Receiver (the "**Closing Date**") following the approval of a Transaction Agreement (defined below) by the Court and the obtaining of a vesting order from the Court, or such other dates as may be extended by the Receiver if reasonably required.

5. Offers shall be made and accepted on the basis that the Interested Party has inspected the Property described therein and has relied entirely upon its own inspection and investigation of such Property and title to same, and has agreed that any Offer and any Transaction described therein is on an "as is, where is" basis with respect to the Property and without any representation, warranty or condition, whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of these Terms and Conditions, including the United Nations Convention on Contracts for the International Sale of Goods), express, implied, oral, written, legal, equitable, conventional, collateral or otherwise given by the Receiver as to title, encumbrances, description, fitness for any purpose, merchantability, quality, state, suitability, durability, assignability, marketability, condition (environmental or otherwise), defect (patent or latent), existence, location, value, the validity or enforceability of any rights (including intellectual property rights), any requirement for licences, permits, appraisals, consents for ownership, occupation or use, compliance with any government laws, regulations, bylaws and orders, defects in workmanship and/or materials and/or any item of incomplete construction, the location of structures and any easements, rights-of-way, rights of re-entry, restrictions and/or covenants which run with the land, work orders, orders to comply, deficiency notices, municipal requirements (including building or fire codes) including building and zoning by-laws and regulations, development fees, imposts, lot levies and sewer charges, any order or charge under any environmental legislation or in respect of any other matter or thing whatsoever, and all of which are expressly excluded, except as expressly contained in these Terms and Conditions. For greater certainty, any Transaction will be in respect of the Property as it exists on the Closing Date and no adjustments (except as expressly included in section 6 below) will be allowed for any change in condition, value, or quality of the Property. The descriptions of the Property and any other information contained in the Memorandum or supplied by the Receiver or BLIG have been prepared solely for the

convenience of the Interested Parties, and are not warranted or audited to be complete or accurate as to description, quantity, fitness for purpose, merchantability or otherwise; and do not form part of these Terms and Conditions. Any Interested Party that has its Offer Accepted by the Receiver (a "**Transacting Party**") acknowledges that the Receiver is not required to provide any inspection of the Property or any part thereof and the Transacting Party shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the Transacting Party's sole responsibility to obtain, at its own expense, any consents to such transfer of the Property and any further documents or assurances which are necessary or desirable in the circumstances.

6. In the case of the BLIG Property, adjustments to the Transaction Price (defined below) shall be made on the Closing Date for realty taxes and utilities, the Closing Date itself to be for the account of the Transacting Party. Interested Parties may tour the BLIG Property only by appointment with the Receiver.
7. Only Offers submitted by Interested Parties that have executed a confidentiality agreement in a form acceptable to the Receiver and that comply, in all respects, with these Term and Conditions will be considered for acceptance by the Receiver. Notwithstanding any other provision of these Terms and Conditions, each Offer submitted must:
 - a. be irrevocable until at least 4:00 pm Eastern Standard Time, on Friday March 6, 2015;
 - b. be without conditions (other than a condition for Court approval);
 - c. expressly state that these Terms and Conditions shall be deemed to form part of the Offer;
 - d. include an acknowledgement from the Interested Party that it has inspected the Property described therein and has relied entirely upon its own inspection and investigation of such Property and title to same and that the Transaction is on an "as is, where is" basis;
 - e. be accompanied by a deposit (the "**Deposit**") in the form of a certified cheque or draft in Canadian funds drawn on a chartered bank of Canada or a trust company incorporated under the laws of Canada or one of the provinces thereof, payable to "A. Farber & Partners Inc., in Trust", in an amount equal to ten percent (10%) of the consideration to be provided by the Interested Party for the Transaction as set out in its Offer (the "**Transaction Price**"); and
 - f. include evidence in writing of either immediately available funds from the Interested Party's internal or external sources (i.e. a financial commitment letter),

or other evidence of ability to consummate the Transaction, as set out in the Offer, which is satisfactory to the Receiver.

8. Upon delivering its Offer as prescribed in these Terms and Conditions, no Interested Party shall be allowed to retract, withdraw, vary or countermand its Offer. If any Interested Party attempts to retract, withdraw, vary or countermand its Offer prior to the acceptance by the Receiver of any Offer, the Receiver shall be entitled to immediately cash the Deposit which accompanied such an Offer and the proceeds of such certified cheque or bank draft shall be forfeited as liquidated damages by the Interested Party to the Receiver for the benefit of BLIG's creditors and other stakeholders.
9. The highest or any Offer will not necessarily be accepted.
10. If any Offer is accepted by the Receiver, then such acceptance shall be communicated to the Transacting Party by notice in writing, delivered by email, prepaid mail, courier or facsimile, by the Receiver to the Transacting Party at the electronic address, address or facsimile number set forth in its Offer. After acceptance of the Offer(s) by the Receiver, all unsuccessful Interested Parties shall have their respective Deposits returned within 5 business days of the date of Court approval of the Offer(s), without interest.
11. The acceptance of an Offer, subject to Court approval, shall constitute a binding agreement between the Receiver and the Transacting Party, such agreement to be composed of the terms of the Offer, the acceptance, and these Terms and Conditions and any further document(s) required by the Receiver to complete such Transaction (collectively, a "**Transaction Agreement**"). In case of ambiguity, the provisions of these Terms and Conditions shall govern. All Offers are submitted on the understanding and agreement that any Offer will be subject to the approval of the Court via a motion to be brought by the Receiver.
12. All Deposits accompanying Offers shall be deposited into an account, which may be a common trust account, by the Receiver and no interest shall accrue to the credit of the Transacting Party. Interest, if any, earned on a Deposit shall be for the benefit of the Receiver. If an Offer is accepted by the Receiver and thereafter approved by the Court, the Deposit provided by the successful Interested Party shall be deemed to be a cash deposit (the "**Transaction Deposit**") to be applied against the Transaction Price, the balance of which shall be paid (after crediting the Deposit) by certified cheque, bank draft or wire transfer on the Closing Date. If the Court does not approve a Transaction or if any vesting order is successfully appealed, then the respective Transaction Agreement

shall cease to be effective and each of the Receiver and the Transacting Party shall be released from its obligations hereunder, other than the Receiver's obligation to return the Transaction Deposit, without interest or deduction.

13. The Transaction Agreement shall be effective to create an interest in the real property only if the provisions of the *Planning Act* (Ontario) are complied with, failing which the Transaction Agreement shall be terminated, in which event neither party shall be under any obligation under the Transaction Agreement and the Transaction Deposit shall be returned to the Transacting Party forthwith without interest.
14. The Transaction Price set out in any Offer shall be exclusive of all applicable taxes including but not limited to all applicable federal and provincial sales and transfer taxes, municipal taxes, charges, liens, duties and other levies imposed by any authority in connection with the sale or use thereof. All such taxes, charges, liens, duties and other levies shall be paid or otherwise satisfied by the Transacting Party on or before the Closing Date.
15. The Receiver represents and warrants to the Interested Parties that it is now and will be at the time of closing, a resident of Canada within the meaning of the Income Tax Act, and that this representation and warranty shall survive the closing of the transaction contemplated by the Transaction Agreement.
16. The Receiver shall not be required to produce any abstract of title, surveys, title deeds or copies thereof, or any evidence of title to the Property (including without limitation the BLIG Property), other than those in the Receiver's possession. On the Closing Date, the Transacting Party shall be entitled, upon receipt by the Receiver of the Transaction Price to such deeds, bills of sale and assignments, as may be considered necessary by the Receiver to convey the right, title and interest, if any, of the Receiver and BLIG in the Property to the Transacting Party or, in the alternative, an order of the Court vesting the Property in the Transacting Party free and clear of all encumbrances (other than any easements, rights-of-way, rights of re-entry, restrictions and/or covenants). Any such deeds, bills of sale or assignments shall contain only a conveyance of the right, title and interest if any of the Receiver and BLIG in the Property and shall not contain any covenants or representations and warranties, other than a representation and warranty that the Receiver has the right to sell BLIG's right, title and interest, if any, in the Property pursuant to an order of the Court and that the Receiver has done no act itself to encumber the Property.

17. The Transacting Party shall assume, at the Transacting Party's cost, complete responsibility for compliance with all municipal, provincial and federal laws in so far as the same apply to the Property and the use thereof by the Transacting Party.
18. The Transacting Party shall not be entitled to possession of the Property until the Transaction, as approved by the Court and contemplated by the Transaction Agreement has closed and the Transaction Price, applicable taxes and all other payments to be made by the Transacting Party have been paid in full to the Receiver. In the case of payment by wire transfer, confirmation of the receipt of the funds by the Receiver's bank is required prior to the release of possession of the Property.
19. Prior to the Closing Date, the Property shall be and remain in the possession of and at the risk of BLIG and BLIG will hold all policies of insurance effected thereon and the proceeds thereof in trust for BLIG and the Transacting Party as their respective interests may appear. After the Closing Date and the completion of a Transaction, the Property shall be at the risk of the Transacting Party. In the event of substantial damage to the Property occurring on or before the Closing Date, the Receiver may cause to have the proceeds of the insurance paid to the Transacting Party and complete the Transaction Agreement or may cancel the Transaction Agreement and have all monies therefore paid, returned without interest, deduction, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Transacting Party shall be obliged to complete the Transaction and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.
20. All Interested Parties and Transacting Parties shall be responsible for their own costs and expenses in connection with, and preparation of, any Offer(s) and the corresponding consummation of any Transaction(s). For greater certainty, the Receiver shall not be required to pay any commission, finders fee or the like, with respect to a Transaction made pursuant to these Terms and Conditions.
21. If the Transacting Party fails to comply with any of the conditions contained herein, the Transaction Deposit and all other payments, if any, made by the defaulting Transacting Party (the "**Defaulting Transacting Party**"), shall be forfeited to the Receiver on account of liquidated damages, and the Property may be resold by the Receiver and the deficiency, if any, of such resale, together with all charges attending the same or occasioned by the Defaulting Transacting Party shall be paid to the Receiver by the Defaulting Transacting Party.

22. The validity and interpretation of these Terms and Conditions and of each provision and part thereof, shall be governed by the laws of the province of Ontario and the laws of Canada applicable therein, and shall enure to the benefit of and be binding upon the parties thereto and their respective heirs, executors, administrators, successors and assigns.
23. All stipulations as to time are strictly of the essence.
24. The Receiver may, at its sole discretion, add, waive or alter any or all of the conditions in these Terms and Conditions, any such waiver to be in writing. All conditions contained herein are for the exclusive benefit of the Receiver.
25. It is understood and agreed that in inviting Offers for a Transaction, the Receiver, its agents, officers, or employees, shall NOT have any personal liability under or as a result of any Transaction or under these Terms and Conditions. The Interested Parties and Transacting Party further acknowledges that if a Transaction Agreement is rescinded, terminated, delayed or enjoined for any reason whatsoever, the Receiver shall not be liable for any losses, expenses or damages suffered by any Transacting Party.
26. The Transaction Agreement constitutes the entire agreement between the Receiver and the Transacting Party and there are no representations, warranties or collateral agreements except as expressly set out in the Transaction Agreement.
27. The Receiver's obligation to complete any transaction contemplated by a Transaction Agreement shall be relieved if, on or before the Closing Date, the Property or any part thereof have been redeemed or removed from BLIG's control by any means or process or if the Transaction is restrained by an injunction or other order issued by a court of competent jurisdiction, whereupon the only obligation of the Receiver shall be the return of the respective Transaction Deposit, without interest, set-off or abatement and the respective Transacting Party shall, and does hereby release the Receiver from any further obligation or liability in connection with such a Transaction.
28. The Receiver, at its sole discretion, may elect to:
 - i. extend the Closing Date, in a manner consistent with the Order of the Court dated November 27, 2014, as the Receiver may require acting reasonably;
 - ii. close a Transaction in escrow, subject to any conditions that may have to be negotiated; or

- iii. with the approval of the Court, terminate the SISP, in whole or in part, and/or the Transaction.

If the SISP and/or the Transaction is terminated by the Receiver, the only obligation of the Receiver shall be the return of any Deposit and/or Transaction Deposit, without interest, set-off or abatement and the Interested Parties and/or the Transacting Party shall, and does hereby release the Receiver from any further obligation or liability in connection with the SISP and/or any Transaction.

29. The Transacting Party shall not assign the Transaction Agreement without the Receiver's prior written approval which approval may be granted or withheld in the Receiver's sole discretion. If the Receiver agrees to the Transaction Agreement being assigned, the Transacting Party shall remain liable under the Transaction Agreement notwithstanding any assignment thereof by the Transacting Party.
30. The Transacting Party represents to the Receiver that it is not a non-Canadian as defined in the *Investment Canada Act* (Canada) or that approval is not required by the *Investment Canada Act* (Canada).
31. To the extent that the Receiver has access to any books and records of BLIG, the Receiver will allow the Transacting Party access from time to time to those books and records of BLIG in its possession during the Receiver's business hours upon reasonable notice for the Transacting Party's reasonable business purposes and shall permit the Transacting Party to make copies thereof at the Transacting Party's expense.
32. These Terms and Conditions shall not merge on the closing of the Transaction but shall survive such closing and remain in full force and effect and be binding on the Transacting Party thereafter.