

**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.

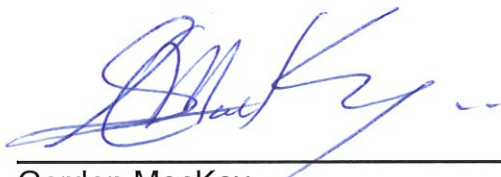
PART 2. WORK ORDERED

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

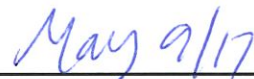
- 2.1 That employees of the Ministry of Northern Development and Mines contract with competent persons to construct and operate the WTP.

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:

