

OPTION AGREEMENT

This Option Agreement (the "Agreement"), is made and entered into this 24 day of JANUARY, 2011 ("Effective Date") by and between the County Board of Iron County, Wisconsin ("OPTIONOR") and Gogebic Taconite LLC, a Delaware limited liability company ("OPTIONEE"). OPTIONOR and OPTIONEE are referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. OPTIONOR is the owner of parcels of land in Iron County, Wisconsin, more specifically described and depicted on Exhibit A (the "Premises");

B. OPTIONEE seeks to obtain a surface lease of the Premises from the OPTIONOR for its use in conjunction with its mining and beneficiation of taconite ore and aggregate ore bodies situated under or near the Premises;

C. OPTIONOR believes the mining and beneficiation of taconite ore bodies and aggregate ore bodies will promote economic development in Iron County, and should be encouraged;

D. OPTIONOR desires to grant OPTIONEE an option to lease the Premises, at OPTIONEE's election, and OPTIONEE desires to obtain an option to lease the Premises, according to the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the promises and mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Purpose. This Agreement sets forth the terms and conditions under which OPTIONOR grants OPTIONEE the right to lease the Premises from OPTIONOR, at OPTIONEE's election.

2. Option on Premises, Term and Option Payments.

a. OPTIONOR grants to OPTIONEE the exclusive option (the "Option") to lease the Premises described on Exhibit A, in the event OPTIONOR is successful in its efforts to withdraw the Premises from the County Forest Lands program established under Wisconsin Statutes § 28.11. OPTIONOR represents and affirms that it is the owner, in fee simple, of those parcels of real property identified on Exhibit A. OPTIONOR represents and affirms that upon withdrawal of the Premises from the County Forest Lands program established under Wisconsin Statutes § 28.11, it will have all necessary legal right, power and authority to lease the Premises to

OPTIONEE, and further represents to OPTIONEE that it has not leased or conveyed any portion of the Premises to any third party.

b. OPTIONEE shall pay to OPTIONOR upon the execution of this Agreement and OPTIONOR shall accept the sum of Twenty Thousand Dollars (\$20,000) in consideration for the Option. Upon the execution of this Agreement, OPTIONOR shall take all action necessary and use its best efforts to withdraw the Premises from the County Forest Lands Program as expeditiously as possible, and shall file an application for withdrawal of the Premises from the County Forest Lands Program contemporaneously with OPTIONEE's filing of an application for a taconite mining permit. In the event the County is unable to secure the withdrawal of the Premises from the County Forest Lands program, then the Option may terminate at OPTIONEE's sole election and all Option payments made to OPTIONOR shall be refunded to OPTIONEE, without limiting any other rights or remedies of OPTIONEE in the event of a breach by OPTIONOR of its duty to use its best efforts to secure withdrawal of the Premises from the County Forest Lands Program.

c. The term of the Option shall commence as of the Effective Date of this Agreement and shall terminate at 5:00 p.m. Central Time on that day which is two (2) years after the Effective Date unless OPTIONEE has filed the appropriate Notice of Intent, delivered a copy to OPTIONOR and pays to and OPTIONOR receives Twenty Thousand Dollars (\$20,000) on or before such termination date, in which case the Option shall be automatically extended for an additional two (2) years ("Option Period Two"). The Option shall be extended for an additional two (2) years beyond Option Period Two if OPTIONEE pays and OPTIONOR receives Twenty Thousand Dollars (\$20,000) on or before such termination date for Option Period Two ("Option Period Three"). The Option shall be extended for an additional two (2) years beyond Option Period Three if OPTIONEE pays and OPTIONOR receives Twenty Thousand Dollars (\$20,000) on or before such termination date of Option Period Three ("Option Period Four"). The Option shall be extended for an additional period for so long as OPTIONEE is making progress toward obtaining the environmental permits required for operation of its taconite and/or aggregate mining and beneficiation operations on or near the Premises, provided that OPTIONEE has paid and OPTIONOR has received Twenty Thousand Dollars (\$20,000) on or before such termination date for Option Period Four and provided further that in no event shall such additional option period exceed ten (10) years ("Option Period Five"). All such option payments are non-refundable in the event OPTIONEE does not exercise the Option, unless this Agreement is terminated pursuant to Section 2(b) because the Premises cannot be withdrawn from the County Forest Lands program despite OPTIONER's best efforts to secure the withdrawal of the Premises from the program.

d. At any time after the withdrawal of the Premises from the County Forest Lands program, upon the giving of thirty (30) days advance written notice by OPTIONEE of the exercise of the Option with respect to the Premises, OPTIONOR shall be obligated to lease to OPTIONEE and OPTIONEE shall be obligated to lease from OPTIONOR the Premises upon the terms and conditions stated herein, pursuant

to a lease in substantially the same form and substance as Exhibit B attached hereto. OPTIONEE shall, in its sole discretion, make the election of whether to lease the Premises prior to the expiration of all Option Periods.

e. If at the end or during the term hereof OPTIONEE should:

i. Fail to or elect not to exercise its Option to lease the Premises from OPTIONOR under the terms, conditions, and covenants hereof, for any reason whatsoever or

ii. Be in default of any of the non-monetary terms, conditions, and covenants hereof, which default is not abated and remedied to the reasonable satisfaction of OPTIONOR within thirty (30) days from the date of receipt of written notice by OPTIONOR to OPTIONEE of such non-monetary default or

iii. Be in default of any monetary amount that may become due to OPTIONOR under this Agreement other than the payment of any amount due under Section 2 herein, which default is not cured to the satisfaction of OPTIONOR within ten (10) days from the date of receipt of written notice by OPTIONOR to OPTIONEE of such monetary default,

then this Agreement shall be automatically terminated without further action being required of OPTIONOR. In the event of such termination, all of the rights and privileges granted to OPTIONEE to lease the Premises herein shall be terminated and be null and void. OPTIONOR shall retain any and all option payments made herein by OPTIONEE as provided for in Section 2. Further, in the event of termination hereof, neither Party shall have any obligation to the other EXCEPT the obligations of OPTIONOR and OPTIONEE that may have accrued prior to the termination date.

f. None of the payments described in this Section 2 shall be reduced or otherwise modified should OPTIONEE elect to extend or exercise this Option to less than all of the Premises.

3. Lease Terms.

a. Upon receipt by OPTIONOR of OPTIONEE's exercise of the Option and election to lease the Premises, OPTIONOR shall simultaneously execute and deliver a Lease, in substantially the same form and substance as Exhibit B attached hereto to OPTIONEE, leasing the Premises to OPTIONEE for a term of Ninety-Nine (99) years for any lawful purpose in connection with OPTIONEE's taconite and/or aggregate mining and beneficiation operations on or near the Premises in exchange for the payment to OPTIONOR, of annual rent each year during the Lease term payable in monthly installments in an amount to be calculated as follows:

$$\frac{(\text{NH acres} + \text{All other acres})}{20} \times 5 \text{ yr. Average Revenue} \times 1.10$$

NH acres = Northern Hardwood acres leased
 All other acres = All non-Northern Hardwood acres leased
 5 yr Average Revenue = Iron County's 5 year average of per acre stumpage revenue, using the immediately preceding 5 years.

Using the above formula, annual rent shall be recalculated every 5 years during the Lease term.

b. Upon the date of execution and delivery of the Lease by OPTIONOR on the Premises, all option rights shall terminate and the Parties' rights and obligations with respect to the Premises shall be as set forth in the Lease.

c. OPTIONOR and OPTIONEE shall execute, acknowledge and deliver or cause to be executed, acknowledged or delivered such additional documents as may be reasonably necessary to carry out their obligations under this Agreement.

4. Access Rights: Prior to the Option exercise date OPTIONOR shall provide OPTIONEE with reasonable access at reasonable times to data, documents and any other information pertinent to the Premises in order to permit OPTIONEE to evaluate the Premises. OPTIONOR hereby grants to OPTIONEE the right to enter upon the Premises from time to time upon request and conduct any and all environmental studies of the condition of the Premises; provided, however, that until the Premises is withdrawn from the County Forest Lands program, OPTIONEE shall not be entitled to conduct any activities on the Premises that would violate any restrictions on use of County Forest Lands under Wisconsin Statutes § 28.11, Administration of County Forests.

5. Inspection and Recording. OPTIONOR shall make available to OPTIONEE, upon request at any time after the execution of this Agreement, OPTIONOR's records regarding title to and ownership of the Premises prior to exercising the option to lease the Premises from OPTIONOR. The Parties shall execute a memorandum of option in a form similar to that attached as Exhibit C, which memorandum of option may be recorded by either Party, at such Party's expense, in the public land records of Iron County, Wisconsin appropriately noting the existence of this Agreement.

6. Assignment. OPTIONEE shall have the right to assign or otherwise transfer its rights and obligations under this Agreement without OPTIONER's consent, to (a) an affiliate of OPTIONEE; (b) to any entity acquiring all or substantially all of

OPTIONEE's assets through acquisition or merger; or (c) to any lending institution who requests such an assignment in connection with a loan made to OPTIONEE or its affiliates. OPTIONER shall not assign its rights and obligations under this Agreement without OPTIONEE's consent.

7. Representations. Each Party represents that (i) it has the necessary power and authority to enter into and perform its obligations under this Agreement, (ii) it has duly authorized the person signing this Agreement to execute this Agreement on its behalf, (iii) upon execution, this Agreement will be a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, (iv) the execution and delivery of this Agreement and its performance by such Party will not violate, result in a breach of or conflict with any law, rule, regulation, order or decree applicable to such Party, its organizational documents or the terms of any other agreement binding on such Party, and (v) it has not dealt with any broker concerning the Option nor is it liable for any broker's fee or commissions in connection with this Agreement.

8. Notices.

(i) All notices, requests, demands, and other communications required or permitted to be given hereunder shall be deemed to have been duly given if in writing and delivered personally, if mailed first class, postage prepaid, registered or certified mail, or delivery by express or courier service as follows:

If to OPTIONOR:

Dennis DeRosso
County Administrator, Iron County, Wisconsin
Iron County Courthouse
300 Taconite Street
Suite No. 101
Hurley, Wisconsin 54534

With a copy to:

Michael Saari
County Clerk of Iron County, Wisconsin
Iron County Courthouse
300 Taconite Street
Hurley, Wisconsin 54534

With a copy not constituting notice to:

Dean & Pope, P.C.
ATTN: Michael K. Pope

Woodlands Professional Building
204 North Harrison Street
Ironwood, Michigan 49938-1798
Facsimile: (906) 932-1508
Phone: (906) 932-4010

If to OPTIONEE:

Gogebic Taconite LLC
ATTN: John Dickinson
3801 PGA Boulevard, Suite 903
Palm Beach Gardens, Florida 33410
Facsimile: 561-626-4938
Phone: 561-626-4999

With a copy not constituting notice to:

Bailey & Glasser, LLP
ATTN: Jennifer S. Fahey
209 Capitol Street
Charleston, West Virginia 25301
Facsimile: 304-342-1110
Phone: 304-345-6555

(ii) Either Party may change the address to which such communications are to be directed to it by giving written notice to the other in the manner provided herein.

9. Binding Effect. Except as otherwise expressly provided herein, all of the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the Parties hereto and their respective successors, assigns, or other legal representatives. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Parties hereto, and their affiliates, subsidiaries, parent companies, successors, and assigns, any rights or remedies under or by reason of this Agreement.

10. Waiver or Bar. Neither failure or failures to exercise any right of either Party under this Agreement nor any delay or delays in exercising any such right, nor any delay in giving nor any failure to give any notice to either Party hereunder shall be deemed by the other Party or others to be waiver of any right hereunder to the subsequent exercise or enforcement of any of the provisions of this Agreement or any right of either Party hereunder. Furthermore, no waiver or forgiving by either Party, for any reason whatsoever, of any default of the other Party under this Agreement shall be construed to operate as a waiver of any other default of either Party under this Agreement or the same default of either Party on a future occasion.

11. Invalid Provisions. If any provision of this Agreement or the application thereof to OPTIONOR or OPTIONEE shall, for any reason and to any extent, be held to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

12. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the transaction contemplated herein. No representation, promise, inducement, or statement of intention has been made by any Party which is not embodied in this Agreement and no Party shall be bound or liable for any alleged representation, promise, inducement or statement of intention not so set forth. This Agreement may not be amended or modified except by written agreement executed by each of the Parties hereto.

13. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Wisconsin, without regard to conflicts of law principles thereof.

14. Interpretation. The headings of this Agreement are for convenience of reference only. The recital paragraphs of this Agreement are incorporated herein by reference and made binding terms hereof.

15. Counterparts. This Agreement may be executed in a number of identical counterparts, each of which for all purposes is to be deemed as original, and all of which constitute, collectively, one Agreement; and in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the Parties execute this Agreement by their duly authorized representatives as of the Effective Date.

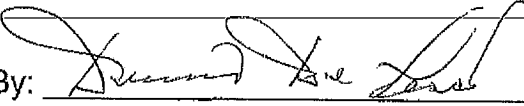
[signatures appear on following page]

GOEBIC TACONITE LLC

By: 

Its: Authorized Person

COUNTY BOARD OF IRON COUNTY,
WISCONSIN:

By: 

Its: Board Chair

Exhibit B to Option Agreement

SURFACE LEASE

THIS SURFACE LEASE ("Lease" or "Agreement") is made and entered into as of the [] day of [], 2011 ("Effective Date") by and between the County Board of Iron County, Wisconsin ("Lessor") and Gogebic Taconite LLC, a Delaware limited liability company ("Lessee").

WITNESSETH:

A. WHEREAS, Lessor is the owner of parcels of surface land in Iron County, Wisconsin, more specifically described and depicted on Exhibit A (the "Premises"); and

B. WHEREAS, Lessee plans to develop a surface mine in Iron County, Wisconsin for the mining and beneficiation of taconite ore and/or aggregates, and Lessee requires an area of surface land for use in connection with its taconite and/or aggregate mining and beneficiation operations; and

C. Lessor believes the mining and beneficiation of taconite ore bodies and aggregates will promote economic development in Iron County, Wisconsin, and should be encouraged; and

D. Lessor desires to lease the Premises to Lessee for any lawful purpose in connection with the mining and beneficiation of taconite ore bodies and aggregates, and Lessee desires to lease the Premises from Lessor, according to the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual obligations contained herein, and the performance and observance of all terms and conditions herein, the Lessor hereby grants, lets, leases and demises unto the Lessee the right and privilege to possess and occupy the Premises, as follows:

1. **LEASE OF PROPERTY; USE RIGHTS WITHIN THE LEASED AREA.**

Lessor hereby leases, lets and demises to Lessee the surface of the Premises. Lessor grants Lessee the right to use the Premises in any lawful way that Lessee may desire in connection with the mining and beneficiation of Lessee's taconite ore and aggregate bodies situated in the State of Wisconsin.

2. ADDITIONAL SURFACE RIGHTS WITHIN THE LEASED AREA AND ADJACENT AREAS.

Lessor hereby further grants unto Lessee the following additional rights relating to the conduct of taconite and aggregate mining and beneficiation operations within the Premises:

a. The right of ingress, egress, and all other access rights over the Premises and any adjacent property owned by Lessor for all purposes related to the conduct of taconite and aggregate mining and beneficiation operations or the performance of reclamation operations, including, but not limited to, the right to construct and maintain roadways and access ways on any property owned by Lessor to and from the Premises; provided, however, that if the adjacent property is part of the County Forest Lands program established under Wisconsin Statutes § 28.11, Lessee shall not be entitled to conduct any activities on the adjacent property that would violate any restrictions on use of County Forest Lands under Wisconsin Statutes § 28.11, Administration of County Forests.

b. The right to conduct core drilling, seismographic testing, surveying, and all other testing, examination or prospecting that may be necessary or convenient to the conduct of taconite or aggregate mining and beneficiation or reclamation operations.

c. The right to construct, operate, and maintain such facilities and/or structures on the Premises as may be necessary or convenient to conduct taconite and aggregate mining and beneficiation or reclamation operations, including, but not limited to, storage buildings, office buildings, mine infrastructure, power lines, drainage ditches, pipelines and other structures, taconite piles, silt and retention ponds, beneficiation plants and facilities, loading facilities, conveyors, reservoirs for water or waste material, stockpiles, areas for the storage and disposal of overburden, tailings, spoils or other waste material, parking areas, utilities, and water and sewer lines.

d. The right to move and transport people, taconite, aggregate and materials to and from other lands across the surface of the Premises or through shafts, tunnels, inclines, or pits in, on or under the Premises.

e. The right to remove timber on any areas of the Premises where Lessee's operations so require or where Lessee's operations will damage or destroy the timber; provided that Lessee shall pay Lessor the fair market value of any timber so removed and shall comply with any requirements mandated by the Iron County Forestry Department with respect to timber removal. Fair market value shall be determined with merchantable timber volume (as defined in Wisconsin Statute 77.81 or any successor statute) determined from a joint cruise conducted by Lessor and Lessee or their agents, together with the stumpage values for the respective timber products as calculated

using a 5 year average of Iron County's actual stumpage revenue for the respective timber products.

f. The right to designate additional acres of surface property owned by Lessor to add to the Premises under this Agreement from time to time as Lessee deems necessary or beneficial for its operations; Provided, (1) that such additional acreage shall not exceed twenty five percent (25%) of the acreage of the original Lease Premises; (2) that if the additional lands so designated by Lessee are part of the County Forest Lands program established under Wisconsin Statutes § 28.11, Lessor shall take all action necessary and use its best efforts to withdraw the additional lands from the County Forest Lands program within one (1) year after Lessee's designation; and (3) that if Lessor is unable to secure the withdrawal of the additional lands from the County Forest Lands program despite its best efforts, then Lessee shall have the right, in its sole discretion, to leave the additional lands out of the Lease Premises or include the additional lands in the Lease Premises with the restriction that Lessee cannot conduct any activities on the additional lands that would violate any restrictions on use of County Forest Lands under Wisconsin Statutes § 28.11, Administration of County Forests.

g. In the event Lessor's written consent is reasonably required by any administrative agency of the State of Wisconsin or the United States of America in order for Lessee to exercise any activity permitted on the Premises, Lessor agrees to timely sign, without further compensation, any required document indicating its consent and approval of Lessee's taconite and aggregate mining, beneficiation and reclamation operations.

h. The right, if necessary, after termination of this Agreement, to continue to have access to the Premises in connection with the conduct of reclamation operations, without further compensation therefore.

i. Lessor agrees that it will not interfere with Lessee's mining, beneficiation and reclamation operations on the Premises.

j. Except as otherwise requested by Lessor, Lessee covenants and agrees, in conjunction with its reclamation operations to remove all surface structures, facilities and amenities installed by Lessee on or within the Premises during or in connection with Lessee's conduct of taconite and aggregate mining and beneficiation operations, including, but not limited to, all structures, pipelines, conveyors, buildings, roads, utilities, loading and related facilities, or other improvements and to reclaim the affected areas as required by any governing permits or by applicable law.

3. EXCEPTIONS AND RESERVATIONS BY LESSOR.

Lessor hereby reserves unto itself, its successors and assigns, the following rights:

a. This Lease is made subject to all rights, easements, conveyances, rights of way, deeds, contracts, leases and agreements heretofore granted or made by Lessor or any of its predecessors in title and of record with the Register of Deeds Office of Iron County, Wisconsin. Nothing herein shall be deemed to grant, convey, or transfer to Lessee any of Lessor's rights or interests in any easements, conveyances, rights of way, deeds, contracts, leases or agreements granted or made by Lessor or any of its predecessors in title and of record as aforesaid.

b. Lessor reserves the right of ingress and egress from any easement reserved herein or any easement of record to public roads in and over existing or future roads and lanes and other reasonable routes on the Premises.

c. Lessor reserves the right, after reasonable notice to Lessee, to re-enter the Premises for the purpose of ensuring Lessee's compliance with the terms and conditions of this Agreement.

d. Lessor reserves the rights, easements, privileges, and appurtenances which may be required or desirable for the full exercise of the rights herein reserved.

4. TERM.

The term of this Agreement shall be for a period of Fifty (50) years ("Primary Term") commencing as of the Effective Date and expiring fifty years thereafter, or when all mineable and merchantable taconite and aggregate ore has been mined from Lessee's taconite and aggregate reserves in Wisconsin, whichever occurs first. In the event mineable and merchantable taconite or aggregate remains in Lessee's reserves at the end of such Primary Term, Lessee shall have the right to extend the term of this Agreement for successive periods of five (5) years each (the "Extended Term"), as provided herein if necessary during such Extended Term until Lessee completes mining all mineable and merchantable taconite and aggregate from Lessee's reserves. Provided, however, that in no event shall the Primary Term and all Extended Terms of this Lease together exceed a period of Ninety-Nine (99) years from the Effective Date. Lessee may not surrender and terminate this Agreement at any time during the Primary Term or any Extended Term hereof until Lessee shall have completed all reclamation work as required by any federal, state or local regulatory agency. Lessee's right to reenter the Premises for reclamation purposes shall be a covenant running with the land, free from additional charge or cost and shall survive termination or cancellation of this Agreement. Lessor shall have the right to reenter the Premises in order to complete reclamation work at Lessee's expense, as Lessor deems necessary or appropriate in its reasonable discretion, in the event Lessee fails or refuses to timely complete reclamation operations in compliance with law or the terms and conditions of Lessee's permits or this Agreement.

5. RENT.

Lessee shall pay Lessor annual rent each year during the Lease term payable in monthly installments each month in advance, when due and without demand by Lessor, in an amount to be calculated as follows:

$$\frac{(\text{NH acres} + \text{All other acres})}{20 \quad 50} \times 5 \text{ yr. Average Revenue} \times 1.10$$

NH acres = Northern Hardwood acres leased
All other acres = All non-Northern Hardwood acres leased
5 yr Average Revenue = Iron County's 5 year average of per acre stumpage revenue, using the immediately preceding 5 years.

Using the above formula, annual rent shall be recalculated every 5 years during the Lease term. Lessee's rent shall be due no later than the 5th day of each month during the Term of this Agreement.

6. DEFAULT.

In the event of a failure by either party to materially comply with any term or provision of this Lease, such failure shall be deemed an "Event of Default" if the breaching party (the "Defaulting Party") does not cure such breach within thirty (30) days of its receipt of written notice from the non-defaulting party of such breach, or, if such breach is not capable of being cured within such thirty (30) day time period, if the Defaulting Party fails to work diligently and in good faith toward a cure of the breach within such thirty (30) day time period.

Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to terminate this Lease, in addition to any other remedies such party may have under this Agreement, at law or in equity.

7. REMOVAL OF PROPERTY.

Lessee shall have the right, at any time during the Term of this Lease and within one hundred eighty (180) days thereafter, to remove all equipment and machinery, as well as any structures or other fixtures installed on the Premises by Lessee, provided that during any holdover period after the termination or expiration of the Term of the Lease, Lessee shall maintain all required insurance coverages hereunder, and the terms and conditions of the indemnification provision of this Lease shall remain in full force and effect.

8. TAXES.

Lessee shall pay any taxes related to the Premises and/or Lessee's activities on the Premises during the Term of this Lease, including, without limitation, real estate taxes and personal property taxes on Lessee's equipment and inventory.

9. INDEMNIFICATION.

Lessee agrees to indemnify, defend and hold harmless Lessor and Lessor's officers, directors, officials, employees, successors and assigns from and against any losses, costs (including, but not limited to attorneys' fees), claims, penalties, fines, liabilities, obligations, charges, demands, suits, actions, causes of action, judgments or decrees arising out of or related to Lessee's use or occupation of the Premises, except to the extent that the same are the result of Lessor's negligence.

10. INSURANCE.

At all times during the term of this Lease, Lessee shall maintain Workers' Compensation insurance as required by law. In addition to the foregoing, Lessee shall carry and keep in full force and effect, at its sole cost and expense: (i) Employers' Liability Insurance with limits of not less than \$1,000,000; (ii) general liability insurance with combined single limits for bodily injury (including death) and property damage of not less than \$5,000,000; (iii) automobile liability insurance with combined single limits of not less than \$2,000,000 for bodily injury (including death) and property damage; and (iv) excess liability/umbrella coverage over the general liability and auto liability coverages in the aggregate amount of \$5,000,000. Except for Workers' Compensation, all policies referenced herein shall name Lessor as an additional named insured, and shall contain a thirty (30) day notice of cancellation provision.

11. REPRESENTATIONS AND WARRANTIES.

a. Lessor does hereby covenant and warrant generally to and with Lessee, its successors and assigns that Lessor is lawfully seized in fee simple title to the surface of the Premises and has good right to execute this Agreement, that the Premises is free and clear of liens and encumbrances made by Lessor, (except existing leases and contracts heretofore granted or made by Lessor or any of its predecessors in title and of record with the Register of Deeds Office of Iron County, Wisconsin), and that Lessor will warrant generally the title to the Premises against the claims of all persons.

b. Lessor warrants that it has the lawful right to make this Lease and that Lessee will have peaceable possession of the Premises for the full Term.

12. AS-IS; NO WARRANTY OF CONDITION OR FITNESS.

Lessor makes no representations, covenants, or warranties, express or implied, unto the Lessee concerning the condition of the Premises, its suitability for Lessee's intended use or fitness for a particular purpose, and Lessee covenants and agrees that it is relying solely upon its own examination and inspection of such areas without recourse to or against Lessor.

13. TITLE DEFECTS; CONDEMNATION.

a. Lessee shall have the right at any time during the Term to examine title to the Premises or to cause the title to be examined at Lessee's expense, and, if objections to Lessor's title be found, Lessee shall have the option to cure any objections to title, or if such objections have a material adverse effect on Lessee's activities on the Premises, Lessee shall have the option of terminating this Lease in full or in part, without limiting any other remedies that may be available to Lessee under this Agreement, at law or in equity.

b. If all or a substantial part of the Premises, or one or more of the separate parcels composing the Premises, be taken by the exercise of eminent domain, or should said property or properties be sold to the condemnatory authority under threat of condemnation, and the taking of the Premises or such separate parcel(s) will deprive Lessee of its right to engage in taconite mining and beneficiation on the Premises or otherwise make it economically impractical or infeasible, Lessor and Lessee shall jointly resist or negotiate with the condemnatory authority, and any resulting award shall be distributed to Lessor and Lessee in proportion to their interests in the Premises as they appear at the time of the taking or condemnation and this Lease shall terminate, at the election of Lessee, as of the date of the taking of the Premises.

14. NOTICES.

All notices required or permitted herein shall be in writing and delivered by United States Certified Mail, postage prepaid, as follows:

To Lessor:

Dennis DeRosso
County Administrator, Iron County, Wisconsin
Iron County Courthouse
300 Taconite Street
Suite No. 101
Hurley, Wisconsin 54534

With a copy to:

Michael Saari
County Clerk of Iron County, Wisconsin
Iron County Courthouse
300 Taconite Street

Hurley, Wisconsin 54534

With a copy not constituting notice to:

Dean & Pope, P.C.
ATTN: Michael K. Pope
Woodlands Professional Building
204 North Harrison Street
Ironwood, Michigan 49938-1798
Facsimile: (906) 932-1508
Phone: (906) 932-4010

To Lessee: Gogebic Taconite LLC
ATTN: John Dickinson
3801 PGA Boulevard, Suite 903
Palm Beach Gardens, Florida 33410
Telecopy: 561-626-4938

With a copy not constituting notice to:

Bailey & Glasser, LLP
ATTN: Jennifer S. Fahey
209 Capitol Street
Charleston, West Virginia 25301
Facsimile: 304-342-1110
Phone: 304-345-6555

15. JURISDICTION AND VENUE, GOVERNING LAW.

This Agreement shall be construed and enforced in accordance with the laws of the State of Wisconsin, and the parties hereby irrevocably submit to the exclusive jurisdiction and venue of the United States District Court for the Western District of Wisconsin for any dispute arising under this Agreement.

16. JURY TRIAL WAIVER.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY DISPUTE, ACTION OR PROCEEDING ARISING FROM OR RELATED TO THIS LEASE OR EITHER PARTY'S PERFORMANCE HEREUNDER.

17. MEMORANDUM OF LEASE.

The parties hereto agree that if either party so desires, a Memorandum of Lease shall be prepared and placed of record in the Office of the Register of Deeds of Iron County, Wisconsin.

18. SEVERABILITY; HEADINGS; INTERPRETATION.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any one or more of the other provisions of this Agreement. The parties agree that this Agreement and all provisions thereof shall be interpreted so as to give effect and validity to all of the provisions hereof to the fullest extent permitted by law. The headings in this Agreement are for convenience of reference only and shall not constitute a part of the Lease or affect its meaning, construction or effect. This Lease is the result of negotiations between the parties. This contract shall not be construed by one party or the other as the drafter or preparer of the document.

19. BINDING ON SUCCESSORS.

This Agreement shall be binding upon and inure to the benefit of the respective parties' heirs, administrators, executors, successors and permitted assigns.

20. ENTIRE AGREEMENT.

This Lease contains the entire agreement between the parties with respect to the subject matter hereof. There are no covenants, conditions, or representations other than those stated herein. The Agreement shall not be amended or changed in any manner unless by a writing signed by both parties hereto.

21. COMPLIANCE WITH LAW.

Lessee shall conduct its operations on the Premises, including but not limited to taconite mining, beneficiation and reclamation activities, in compliance with all applicable federal, state and local laws, regulations, rules and requirements which are now in force or which may be hereafter enacted, provided, that, so long as Lessee is making best efforts to comply in all respects with all applicable laws, regulations, rules and requirements and to meet all requirements imposed by said governmental authorities, Lessor shall not have the right to claim a default under the terms of this Lease.

22. PERMITS AND RECLAMATION.

Lessee shall obtain any and all necessary licenses or permits for its activities and operations on the Premises and shall be bound by the terms thereof and shall perform in accordance therewith. Lessee shall have full responsibility therefore, including all requisite site reclamation work; and Lessee and its sublessees or contractors shall pay all fees, fines, and assessments related thereto.

23. INCORPORATION OF RECITALS.

The "Recital" paragraphs of this Agreement shall be incorporated herein by reference and constitute binding terms hereof.


24. BROKER'S FEES. Each party represents and warrants to the other that it has not dealt with any broker, agent, or other person in connection with this Lease and each party shall indemnify, defend, protect and hold the other harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with such party with regard to the Lease.

25. COUNTERPARTS.

This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have caused their respective signatures to be ascribed hereto as of the Effective Date.

GOGEBIC TACONITE LLC

By: 

Its: _____

THE COUNTY BOARD OF IRON COUNTY, WISCONSIN

By: 

Its: _____

EXHIBIT A TO SURFACE LEASE

Description of Premises

Exhibit C to Option Agreement

STATE OF _____ *

COUNTY OF _____ *

MEMORANDUM OF OPTION

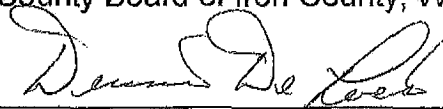
KNOW ALL MEN BY THESE PRESENTS, that **Gogebic Taconite LLC** (the "Grantee"), a Delaware limited liability company, by virtue of an Option Agreement dated JANUARY 26, 2011 (the "Option") did enter into an option agreement to lease certain properties located in Iron County, Wisconsin described in **Exhibit "A"**, attached hereto and made a part of this Memorandum of Option, from the **County Board of Iron County, Wisconsin** ("Grantor"). The Option provides for an initial term of two years.

This Memorandum of Option is placed of record by Grantor and/or Grantee to serve as notice of the execution and existence of said Option, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Option. The terms and conditions of said Option are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein.

This is the 26 day of JANUARY, 2011.

GRANTORS:

The County Board of Iron County, Wisconsin

By: 

Its: Board Chair

GRANTEE:

Gogebic Taconite, LLC

By: 

Its: PRESIDENT

STATE OF WISCONSIN

COUNTY OF IRON

I, PATRICIA F. STEVER, a Notary Public, in and for said County in said State, hereby certify that Dennis DeJoy, whose name as [Chairman] of the Board of Iron County, Wisconsin, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited partnerships and corporations.

Given under my hand and seal this 20th day of JANUARY, 2011.

Patricia F. Stever
Notary Public

State of _____

County of _____

My Commission Expires _____

PATRICIA F. STEVER
Notary Public, Iron County, WI
My Commission Expires
April 28, 2013

STATE OF Wisconsin *

COUNTY OF Iron *

Before me, the undersigned, a Notary Public in and for said County and State, on this 20th day of JANUARY, 2011, personally appeared Dennis DeJoy known to me to be the identical person who subscribed the name of Gogebic Taconite LLC, a Delaware limited liability company, to the foregoing instrument as its officer and acknowledged to me that he executed the same as his free and voluntary act and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal this 20th day of JANUARY, 2011.

Patricia F. Stever
Notary Public

State of _____

County of _____

My Commission Expires _____

PATRICIA F. STEVER
Notary Public, Iron County, WI
My Commission Expires
April 28, 2013

This Instrument Was Prepared By:

Exhibit A to Memorandum of Option

[description of Option Premises]

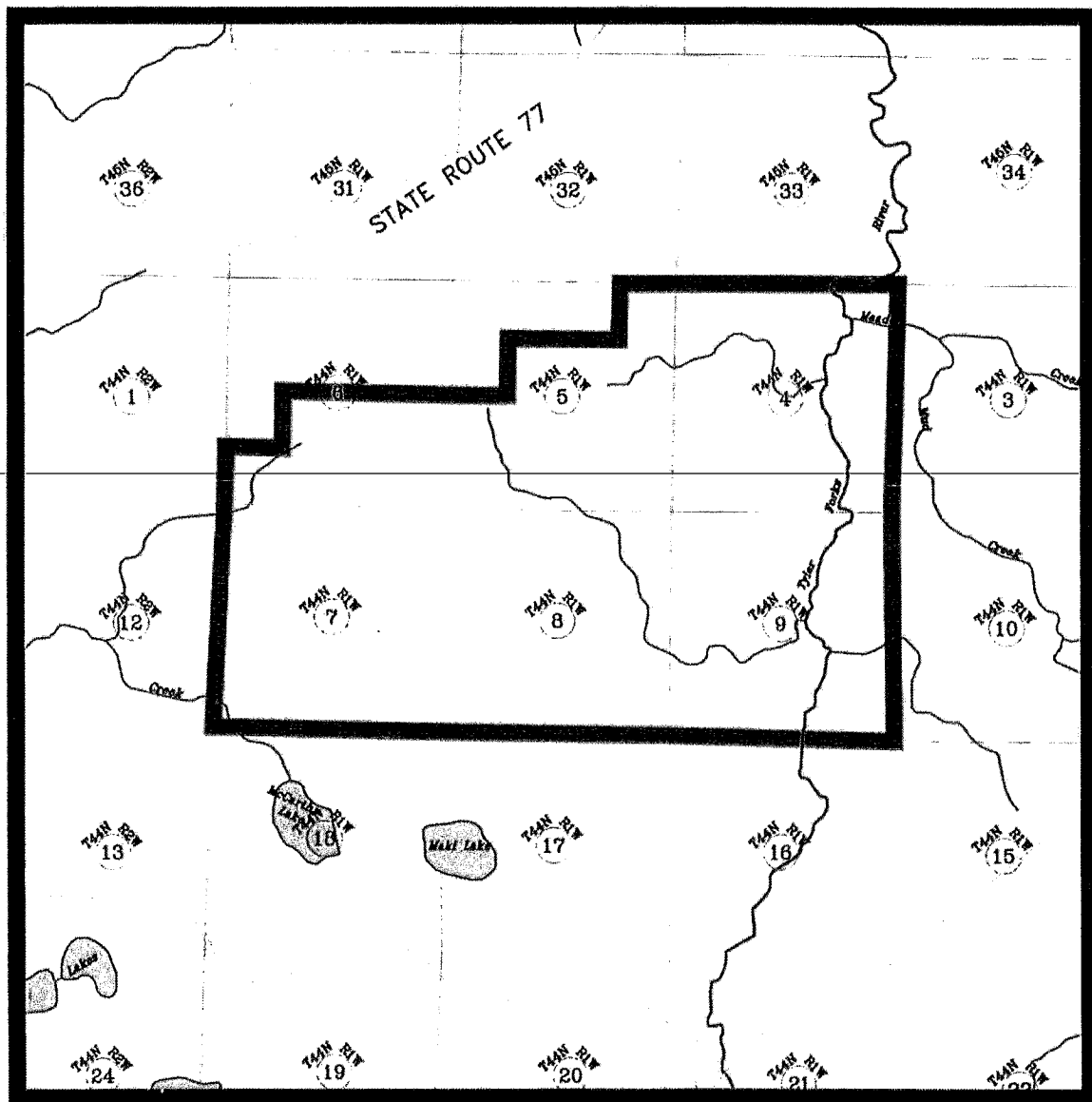


EXHIBIT A: PROPERTY DESCRIPTION

In Township 44 North, Range 1 West, Anderson Township, Iron County, Wisconsin; All of Sections 4, 7, 8, 9; All of Section 5 except the West Half of the Northwest Quarter and the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter; All of Section 6 except the Northeast Quarter, the Northwest Quarter and the Northwest Quarter of the Southwest Quarter.