Court File No. CL-00000219-0000

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 NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION AND 12334992 CANADA INC.

AFFIDAVIT OF ALISON BABBITT
(sworn June 27, 2026)

I, Alison Babbitt, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Partner with the law firm of Norton Rose Fulbright Canada LLP, counsel to Export Development Canada in these proceedings and, as such, I have knowledge of the matters herein deposed to.

2. Attached as Exhibit "A" hereto is a document titled *Settlement of DIP Financing Litigation*, which sets out the settlement terms that have been agreed to among the Applicants, Baffinland Iron Mines LP, Export Development Canada, Oaktree Capital Management, L.P., Hartree Partners, LP, Polen Capital Credit, LLC and Brigade Capital Management LP (collectively, the "**Settlement Parties**") in respect of the DIP financing litigation (the "**Settlement**").

3. Attached as Confidential Exhibit "B" hereto is a form of letter agreement among the Settlement Parties dated June 26, 2026 in connection with the Settlement.

SWORN BEFORE ME by Alison Babbitt at the City of Ottawa, in the Province of Ontario before me on June 27, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Evan Cobb

Commissioner for taking Oaths

Alison Babbitt

This is Exhibit “A” referred to in the Affidavit of Alison Babbitt sworn June 27, 2026 before me remotely in accordance with O. Reg 431/20, Administering Oath and Declaration Remotely.

Evan Cobb

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A commissioner for taking affidavits etc.

SETTLEMENT OF DIP FINANCING LITIGATION

Consensual Approval of EDC DIP Facility with Protections for Senior Secured Lenders and EDC

Key Terms:

- Senior Secured Lenders and EDC will fully support the final approval of the EDC DIP Facility at the hearing on June 30 (the "EDC DIP Order")

- The Senior Secured Lenders and EDC will fully support a court order approving the protections for the Senior Secured Lenders and EDC set out herein, and the Senior Secured Lenders' support for the EDC DIP Order is subject to approval of those protections.

- All litigation steps and related costs on the DIP litigation to be suspended immediately

- Nothing in these settlement terms shall affect any of the protections granted to the Senior Secured Lenders by the Court in the June 11 endorsement through the bridge period (i.e., until the granting of the EDC DIP Order). These settlement terms apply to the period starting on the date of the EDC DIP Order.

- Senior Secured Lenders to file an Aide Memoire in support of the EDC DIP approval, which shall be shared with EDC a reasonable time in advance of service for review and any suggested comments.

Secured Creditor Protections

(a) Consents

The First Secured Lenders and Ad Hoc Committee (the "Senior Secured Lenders") shall have consent rights on the following:

- Any spending of Excess Exploration and Expansion Expenses (as defined in the EDC DIP Facility served on June 8, 2026), unless otherwise approved by the Court on a motion on proper notice.

(b) CRO and Sale Advisor Selection

A Transaction Advisor and a Chief Restructuring Officer/ Advisor shall be selected in a process conducted by the Monitor in accordance with the following terms:

- A transaction advisor shall be selected with the support of EDC and the Senior Secured Lenders in accordance with the terms herein from among the candidates set out in that certain side letter among EDC, the Senior Secured Lenders and the Company dated June 22, 2026 (the "Side Letter"), shall be engaged to assist with the sale and investment solicitation process (the "FA"), in each case as may be approved by the CCAA Court. The selected FA will be supported by the Senior Secured Lenders and EDC if (i) EDC approves of that selection and (ii) one of either (a) Oaktree/Hartree; and (b) Brigade/Polen also supports that selection. If support described in (i) and (ii) above is not achieved, the matter will be submitted to the court on a motion on proper notice for further direction, with a recommendation from the Monitor and all parties retain the right to object in Court.

- The Company shall have the right to interview the candidates for transaction advisor in the presence of the Monitor and to provide the Monitor with its views on the candidates for transaction advisor, so long as that does not delay the selection process. The Company retains the unfettered right to object in Court should it not agree with the transaction advisor selected;

- A chief restructuring officer shall be selected with the support of EDC and the Senior Secured Lenders in accordance with the terms herein from among the identified candidates that has been set out in the Side Letter. The selected Chief Restructuring Officer will be supported by the Senior Secured Lenders and EDC if (i) EDC approves of that selection and (ii) one of either (a) Oaktree/Hartree; and (b) Brigade/Polen also supports that selection. If support described in (i) and (ii) above is not achieved, the matter will be submitted to the court on a motion on proper notice for further direction, with a recommendation from the Monitor and all parties retain the right to object in Court.

- The Company shall have the right to interview the candidates for Chief Restructuring Officer in the presence of the Monitor and to provide the Monitor with its views on the candidates for Chief Restructuring Officer, so long as that does not delay the selection process. The Company retains the unfettered right to object in Court should it not agree with the Chief Restructuring Officer selected.

- All interviews of Transaction Advisor candidates and Chief Restructuring Officer candidates shall be scheduled by the Monitor.

(c) Participation Rights

The Company, the Monitor, and their respective advisors, including any CRO, shall work in good faith with the Senior Secured Lenders (or their advisors as they may direct), reasonably contemporaneous with their discussions with the DIP Lender, in respect of the following matters during the CCAA Proceedings and in each case prior to the Company making any decisions and seeking Court approvals (as applicable):

- SISP: the development of the SISP and its terms, including phases, consent and discussion rights and duration. The Debtors shall share drafts of the SISP (and any feedback received from the DIP Lender) reasonably contemporaneous with the delivery or receipt of such drafts and feedback/comments, as applicable, and shall consider and reflect, as appropriate, the reasonable comments of the Senior Secured Lenders.

- Budgets and Cash Flow Forecasts: any proposed budgets and cash flow forecasts (and any amendments thereto), including any cash flow forecasts to be approved by the DIP Lender, prior to the finalization and Court approval of any such budgets or forecasts.

- Specified Capital Expenditures and Commitments: prior to (i) any payments to related parties or insiders; or (ii) any binding sealift procurement commitment related to the Steensby Expansion, or otherwise outside of normal course operations.

(d) Information Rights

The Senior Secured Lenders (or their advisors as they may direct) shall be entitled to the following information and reporting rights throughout the CCAA proceedings, subject to appropriate confidentiality agreements, which shall not include ‘cleansing’ provisions and which shall permit information that, in the view of the Monitor after consultation with the Company, is determined to be competitively sensitive to be withheld from those Senior Secured Lenders that are customers/suppliers of the Debtors:

- The same level of written financial information and reporting received by the DIP Lender, including variance reporting, and reasonably contemporaneous with the delivery of such information to the DIP Lender.

- Management and Company advisors, including CRO, shall host regular weekly update calls with the Senior Secured Lenders (including their advisors) addressing the business and the restructuring proceedings; provided that the cadence of such calls can be revisited between the parties and the Monitor.

- The CRO and FA shall provide regular updates (which may include regular weekly calls as appropriate), to one representative of each of (i) Oaktree and Hartree; (ii) Polen and Brigade; and (iii) EDC, or in the case of (i), (ii) or (iii), their respective financial advisor as they may direct, regarding material developments in the SISP (once implemented). The Monitor and the Company shall participate in such updates. Any representatives receiving these updates shall be subject to appropriate confidentiality restrictions regarding the SISP updates, without ‘cleansing’ provisions. The calls may be with or without counsel as agreed to by the parties (including the Monitor and the Company).

(e) Payment of Fees

- Fees prior to June 11 endorsement: The reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors from and including May 15, 2026 to June 10, 2026 (in the amount of approximately US$500,000 in the case of Oaktree / Hartree and US$500,000 in the case of the Ad Hoc Committee of Noteholders) shall be paid by the Company promptly following the receipt of such invoices and issuance of the EDC DIP Order.

- Fees during Bridge Period: As required by the June 11 endorsement, the reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors for the period from June 11, 2026 through the date of the EDC DIP Order, shall be paid by the Company promptly following the receipt of such invoices and issuance of the EDC DIP Order.

- Fees after EDC DIP Order: The reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors, from the date of the EDC DIP Order forward during the CCAA proceedings shall be included in the professional fees line item in each of the approved cash flow forecasts, up to a maximum of USD$200,000 per month for each of (i) Polen / Brigade; (ii) Oaktree/Hartree; and (iii) EDC, and such fees shall be paid within 14 days of receipt of an invoice from the applicable advisors; provided that any unused amounts in any given month by a party shall roll over and be available for use by that party's advisors in any following month during the CCAA proceedings.

- For greater certainty, this agreement is without prejudice to the rights of any of the Senior Secured Lenders and EDC to seek to either add any prefiling professional fees and any professional fees in excess of any of the capped amounts referenced herein to constitute obligations under the applicable debt document or otherwise seek to pay such fees from any distributions that may be made to the holders thereof, in each case as applicable.

- Advisors for each respective creditor constituency will take all reasonable steps to avoid duplication of activities.

- For greater certainty, any limit described herein on fees does not apply to any fees incurred by EDC in enforcing its rights pursuant to the EDC DIP Credit Agreement.

This is Confidential Exhibit “B” referred to in the Affidavit of Alison Babbitt, sworn June 27, 2026 before me remotely in accordance with O. Reg 431/20, Administering Oath and Declaration Remotely.

Evan Cobb

A commissioner for taking affidavits etc.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION, AND 12334992 CANADA INC.

Applicants

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF ALISON BABBITT
(sworn June 27, 2026)

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