



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: TO BE ASSIGNED

DATE: May 15, 2026

NO. ON LIST: 1

TITLE OF PROCEEDING: NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION, AND 12334992 CANADA INC.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Natalie Renner	Counsel for the Applicants	nrenner@dwpv.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Timothy Pinos Ryan Jacobs	Counsel for the Ad Hoc Committee of Secured Noteholders	tpinos@cassels.com rjacobs@cassels.com
Maria Konyukhova	Counsel for Oaktree and Hartree, First Secured Lender	mkonyukhova@stikeman.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Greg Watson Jeffrey Rosenberg Nate Fennema	FTI Consulting, Proposed Monitor	greg.watson@fticonsulting.com Jeffrey.rosenberg@fticonsulting.com nate.fennema@fticonsulting.com
Michael De Lellis Marc Wasserman Jeremy Dacks	Counsel for the Proposed Monitor	mdelellis@osler.com mwasserman@osler.com jdacks@osler.com
Evan Cobb	Counsel for Export Development Canada	evan.cobb@nortonrosefulbright.com

Robert Chadwick Jennifer Linde	Counsel for the Government of Canada	rchadwick@goodmans.ca jlinde@goodmans.ca
-----------------------------------	---	---

ENDORSEMENT OF JUSTICE CONWAY:

[1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of Nunavut Iron Ore, Inc. (“**NIO**”), 12334992 Canada Inc. and Baffinland Iron Mines Corporation (the “**Applicants**”) dated May 14, 2026. All factual references are from the affidavit of Celeste van Tonder sworn May 14, 2026 and the pre-filing report of the Proposed Monitor FTI Consulting Canada Inc. dated May 14, 2026. All dollar references are to U.S. dollars, unless otherwise noted.

[2] The Applicants seek protection from their creditors and certain other ancillary relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

BACKGROUND

[3] The Applicants, together with Baffinland Iron Mines LP (collectively, the “**Debtors**”) are a group of affiliated entities engaged in iron ore mining operations at the Mary River Mine (the “**Mine**”), located in the Qikiqtani Region of Nunavut on Baffin Island, Canada. The Mine has been in commercial production since 2015 and is one of the highest-grade iron ore mines in the world, with historic average iron content mined in excess of 67%. It is one of the most remote mines in the world.

[4] Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, “**Baffinland**”) are collectively the largest private employer in Nunavut, employing approximately 1,200 people, including approximately 300 Inuit employees. Approximately 370 employees are salaried and 830 are hourly unionized employees. Approximately 1088 employees are based at the Mine and 112 are based at Baffinland’s head office in Oakville, Ontario.

[5] As outlined in detail in the record, the Debtors are in financial distress. Baffinland reported a net loss of \$102.4 million in the year ended December 31, 2025. Their current liabilities exceeded their current assets by \$761 million.

[6] The Debtors’ secured debt consists of approximately \$777 million in principal owing primarily to (a) holders of \$575 million of senior secured notes due 2026 (the “**2026 Notes**”), (b) Opps XII BLIM Holdings, L.P., an entity affiliated with Oaktree Capital Management LP (“**Oaktree**”), and Hartree Partners, LP (“**Hartree**”) under a loan and letter of credit facility, and (c) Export Development Canada (“**EDC**”) under a term loan facility.

[7] The Debtors are in breach of the Oaktree/Hartree credit facility, which led to cross-defaults under the 2026 Notes and EDC facilities. Those defaults have not been waived.

[8] The Debtors' unsecured creditors include (a) unsecured note holders of NIO, who own \$230.9 million in notes and are owed \$81.7 million in deferred interest as at September 30, 2025; (b) Arcelor, who holds \$27.9 million in promissory notes executed by NIO; (c) EMG and its affiliates, who are owed a liability of \$27.9 million by NIO; (d) Toromont Arctic Limited and Toromont Industries Limited Ltd. in the amount of approximately C\$17.1 million on March 9, 2026; (e) Glencore, as a result of Baffinland and NIO's respective failures to perform under two separate sale agreements; and (f) approximately \$87 million in past-due trade payables.

[9] As outlined in the materials, Baffinland has suffered from ongoing liquidity challenges from four factors: (a) significant capital expenditures with respect to the Milne Railway proposal; (b) high debt-servicing costs; (c) high operating costs, and (d) transportation and shipping limits. Baffinland has taken various cost reduction measures and made efforts to raise capital to address their liquidity constraints.

ADJOURNMENT REQUEST

[10] Counsel for the Ad Hoc Committee representing approximately 70% of the 2026 Notes attended today's hearing and requested an adjournment for three days until May 19, 2026. He asked for a short window to pursue a proposal to pay out the EDC and Oaktree/Hartree indebtedness and provide additional liquidity to the Debtors to address ongoing obligations. Neither EDC nor Oaktree/Hartree (or the Proposed Monitor) supported the adjournment request.

[11] After hearing submissions, I denied the adjournment. It is evident that a period of stability is required for the benefit of all stakeholders, including the 1200 employees. The Ad Hoc Committee's proposal is not a commitment. The Debtors already pursued a recapitalization transaction in respect of the 2026 Notes, which was unsuccessful.

[12] The Debtors face substantial near-term expenses (approximately \$100 million) to procure their annual fuel and supply requirements for shipment commencing in July. Failure to secure committed fuel volumes could impair Baffinland's ability to operate the Mine through the next year. That is a critical step to be addressed without delay.

[13] Under the circumstances, I have determined that an adjournment is not warranted. A delay of even three days for the purpose of negotiating would only add to, and quite possibly increase, the environment of uncertainty and instability and impair the prospects for restructuring.

APPLICATION FOR AN INITIAL ORDER

[14] This court has jurisdiction over the Applicants pursuant to s. 9(1) of the CCAA. The registered head office of Baffinland and 123 Canada is located in Oakville, Ontario, where the financial, legal, human resources and procurement operations are conducted. Decision-making authority for the business resides in Baffinland's Toronto office. The registered head office of NIO is located in Toronto.

The CCAA Applies

[15] The CCAA applies to a “debtor company” if the total claims against it or its affiliates exceed \$C5 million. The Applicants meet the definition of “company” as they are incorporated under Ontario or federal corporate statutes.

[16] The Applicants meet the insolvency part of the “debtor company” definition. They are affiliated debtor companies whose collective indebtedness exceeds \$C5 million. Their current liabilities exceed the current value of their assets. They lack sufficient cash flow to cover their fixed operating costs and service their outstanding debt obligations and they are operating on week-to-week basis from a cash-flow perspective.

The Relief Sought is Reasonably Necessary

[17] The initial order sought today is limited. The Applicants seek a stay, the appointment of the Monitor, an Administration Charge of \$2 million, and a D&O Charge of \$14 million. The Applicants do not seek approval of any DIP financing at this time but have advised that they will do so at the comeback hearing.

[18] I am satisfied that the relief sought for the 10-day period is limited to relief that is “reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that period”, as required by s. 11.001 of the CCAA.

[19] This court may grant a stay of proceedings of up to 10 days on an initial application, provided it is satisfied that: (i) such a stay is appropriate; and (ii) the Applicant has acted in good faith and with due diligence (s. 11.02(1), (3)).

[20] I am satisfied that the stay of proceedings sought by the Applicants is reasonably necessary to maintain the *status quo* and to provide an opportunity for the Applicants to stabilize, preserve value, and restructure. The Applicants have acted in good faith and with due diligence. The stay is further extended to BIM LP since it is the principal operating entity of the Mine and is integrally related to the operations of the Applicants.¹

Other Relief

[21] The Applicants seek an Administration Charge of \$2 million. The amount of that charge was determined with guidance from the Proposed Monitor and is limited to what is necessary for the initial period. Taking into account the factors under s. 11.52 of the CCAA, I consider the charge to be reasonable and approve it.

[22] The Applicants seek a D&O Charge of \$14 million for the directors and officers and members of the Operating Committee acting in that capacity. The amount of the charge was determined with guidance from the Proposed Monitor and is limited to what is necessary for the initial period (representing payroll and vacation obligations for employees). The charge does not secure obligations incurred as a result of gross negligence or wilful misconduct. Taking into

¹ See *Gesco Industries Inc. (Re)*, 2023 ONSC 3050 Endorsement of Penny J. (May 25, 2023), ¶¶19-20; *4519922 Canada Inc. (Re)*, 2015 ONSC 124, ¶37; *Just Energy Corp. (Re)*, 2021 ONSC 1793, ¶116; *Payless ShoeSource Canada Inc. and Payless ShoeSource Canada GP Inc. (Re)*, 2019 ONSC 1215, ¶¶25-27.

account the factors under s. 11.52 of the CCAA, I consider the charge to be reasonable and approve it.

[23] FTI has consented to act as monitor and is a licensed insolvency trustee. It is acceptable and is appointed as Monitor.

Initial Order Granted; Comeback Hearing

[24] I reviewed the terms of the Initial Order and it is acceptable to me. Order to go as signed by me and attached to this endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

[25] **The comeback hearing is scheduled before me on May 25, 2026 at 2 p.m. for 90 minutes (by Zoom, confirmed with the Commercial List office).** In submissions today, various stakeholders made it clear that they have reserved their rights for the comeback hearing.

Conway J.