

**Court File No. CL-26-00000219-0000**

**Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation  
and 12334992 Canada Inc.**

**FIRST REPORT OF THE MONITOR**

**May 22, 2026**

**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.

**FIRST REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. On May 15, 2026, Nunavut Iron Ore, Inc. (“**NIO**”), Baffinland Iron Mines Corporation (“**BIM**”) and 12334992 Canada Inc. (“**123**”, and together with NIO and BIM, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) granting, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants and Baffinland Iron Mines LP (“**BIM LP**”, and together with the Applicants, the “**Debtors**”) to May 25, 2026 (the “**Stay Period**”) and appointing FTI Consulting Canada Inc. (“**FTI**”) as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. This first report of the Monitor (the “**First Report**”) has been prepared to inform the Court of the following:
  - (a) The activities of the Monitor since the granting of the Initial Order;

- (b) The weekly cash flow forecasts for the period of May 15, 2026 to June 5, 2026 (the “**May 22 Forecast**”) of the Debtors;
- (c) An update on the steps undertaken by the Debtors and the Monitor to date to secure debtor-in-possession (“**DIP**”) financing for the CCAA Proceedings (the “**DIP Solicitation Process**”);
- (d) The Applicants’ motion for the granting of an Amended and Restated Initial Order (the “**ARIO**”), and the Monitor’s recommendation thereon, providing, *inter alia*, for the following:
  - (i) An increase in the Administration Charge to \$5 million;
  - (ii) An increase in the D&O Charge to \$20.4 million;
  - (iii) Certain additional restructuring authorizations consistent with the Model Initial CCAA Order; and
  - (iv) An extension of the Stay Period to June 5, 2026.

### **TERMS OF REFERENCE**

- 3. In preparing this First Report, the Monitor has relied upon unaudited financial information of the Debtors, the Debtors’ books and records, certain financial information prepared by the Debtors and discussions with various parties (the “**Information**”).
- 4. Except as otherwise described in this First Report:
  - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 5. The Monitor has prepared this First Report in connection with the Applicants' motion for the ARIO and this First Report should not be relied on for any other purpose.
- 6. Future oriented financial information reported or relied on in preparing this First Report is based on the assumptions of the management of the Debtors ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.
- 7. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the pre-filing report of FTI in its then capacity as proposed monitor dated May 14, 2026 (the "**Pre-Filing Report**"), a copy of which is attached hereto as **Appendix "A"**; the first affidavit of Celeste Van Tonder, Chief Financial Officer of the Applicants, sworn May 14, 2026 in support of the Initial Order (the "**First Van Tonder Affidavit**"); the second affidavit of Ms. Van Tonder, sworn May 20, 2026 in support of the ARIO (the "**Second Van Tonder Affidavit**"); or the Initial Order, as applicable.

## **EXECUTIVE SUMMARY**

### **APPLICANTS' REQUEST FOR THE GRANTING OF THE ARIO**

- 8. The Monitor is of the view that:
  - (a) The proposed increase in the quantum of the Administration Charge is reasonable and justified;

- (b) The proposed increase in the quantum of the D&O Charge is reasonable and justified in relation to the quantum of the estimated potential liability;
  - (c) The proposed additional restructuring authorizations to be granted in the ARIO are reasonable and necessary, and are in substantially similar form to the applicable provisions in the Model Initial CCAA Order; and
  - (d) Circumstances exist that make the proposed extension of the Stay Period appropriate, creditors of the Debtors would not be materially prejudiced by the proposed extension of the Stay Period and the Debtors have acted, and are acting, in good faith and with due diligence.
9. Accordingly, the Monitor respectfully recommends that the Debtors' request for the ARIO be granted by this Honourable Court.

#### **ACTIVITIES OF THE MONITOR SINCE THE GRANTING OF THE INITIAL ORDER**

10. Since the granting of the Initial Order, in addition to supervising the DIP Solicitation Process described below, the Monitor has been assisting the Debtors with their communications with employees, key suppliers, government entities and other stakeholders. There has been a high level of stakeholder engagement by the Debtors and the Monitor since the commencement of the CCAA Proceedings and the Monitor intends to continue to assist the Debtors with their stakeholder outreach and communications. Employees and key suppliers have generally exhibited a high degree of support and commitment to the ongoing operations, which have continued without any material interruption since the commencement of the CCAA Proceedings.

11. The Monitor has established a case website at <https://cfcanada.fticonsulting.com/baffinland> (the “**Monitor’s Website**”) where relevant information will be posted, together with all Court materials. In addition, the Monitor has set up phone (416-649-8054 and 1-833-441-6574) and email ([baffinland@fticonsulting.com](mailto:baffinland@fticonsulting.com)) “hotlines” through which interested parties can contact the Monitor directly.
  
12. In accordance with paragraph 35 of the Initial Order:
  - (a) On May 15, 2026, the Monitor made the Initial Order publicly available on the Monitor’s Website;
  - (b) On May 22, 2026, the Monitor will send a notice to every known creditor who has a claim against the Debtors of more than \$1,000;
  - (c) On May 22, 2026, the Monitor will post a list of creditors based on the Debtors’ books and records on the Monitor’s Website; and
  - (d) The Monitor arranged to have published in the Globe and Mail (National Edition) on May 22, 2026 and again on May 29, 2026, a notice containing the information prescribed under the CCAA.
  
13. In accordance with paragraph 36 of the Initial Order, counsel to the Monitor has created, and is maintaining and updating as necessary, a list of all Persons appearing in person or by counsel in the CCAA Proceedings (the “**Service List**”). The Monitor first posted the Service List on the Monitor’s Website on May 15, 2026, and has posted updated versions following such date as necessary.

## THE MAY 22 FORECAST

14. The Pre-Filing Report included a cash-flow statement for the period of May 15, 2026 to May 29, 2026. In this First Report, the Monitor sets out the May 22 Forecast for the period from May 15, 2026 to June 5, 2026.

15. The May 22 Forecast, together with Management’s report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix “B”**. The May 22 Forecast shows a net cash outflow of approximately \$9.6 million for the period May 15, 2026 to June 5, 2026, and is summarized below:

<b>Cash Flow Forecast</b>	
<i>(\$USD in millions)</i>	<i>Forecast</i>
<b>Total Receipts</b>	<b>16.8</b>
<b>Operating Disbursements</b>	
Labour	(6.1)
Vendor Payments	(13.5)
Sealift Purchases	(1.4)
Exploration	(1.3)
Steensby Project Costs	(1.2)
<b>Total Overhead Costs</b>	<b>(2.7)</b>
<b>Net Cash Flow</b>	<b>(9.6)</b>
<b>Cash</b>	
Beginning Balance (excl. Restricted Cash)	15.4
Net Cash Flow	(9.6)
<b>Ending Cash Balance</b>	<b>5.8</b>

16. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:
- (a) The May 22 Forecast has been prepared by Management of the Debtors for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 1 to 8 thereof;

- (b) The Monitor's review consisted of inquiries, analytical procedures and discussions related to information supplied by certain members of Management and employees of the Debtors. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the May 22 Forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the May 22 Forecast;
- (c) Based on its review, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:
  - (i) The hypothetical assumptions are not consistent with the purpose of the May 22 Forecast;
  - (ii) As at the date of this First Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the May 22 Forecast, given the hypothetical assumptions; or
  - (iii) The May 22 Forecast does not reflect the probable and hypothetical assumptions;
- (d) Since the May 22 Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the May 22 Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report, or relied upon by the Monitor in preparing this First Report; and

- (e) The May 22 Forecast has been prepared solely for the purpose described in Note 1 on the face of the May 22 Forecast and readers are cautioned that it may not be appropriate for other purposes.
- 17. One of the assumptions relied upon by the Monitor in preparing the May 22 Forecast is that IRH Global Trading Ltd., the Debtors' counterparty to an offtake agreement upon whom the Debtors rely for liquidity between shipping seasons, will continue to make payments under the offtake agreement.

### **DIP SOLICITATION PROCESS**

- 18. The Monitor and the Debtors have been engaging in a DIP Solicitation Process to source necessary financing to satisfy the Debtors' working capital requirements, general corporate purposes, post-filing expenses and expansion plans during the CCAA Proceedings. This has been an important workstream in the CCAA Proceedings and there has been active engagement with participants in the DIP Solicitation Process.
- 19. The Monitor contacted a number of potentially interested parties, and such parties were initially asked to submit final, definitive, executed interim financing term sheets by 5:00 p.m. (Toronto time) on May 20, 2026 (the "**DIP Deadline**").
- 20. Following significant interest being received in the DIP Solicitation Process, and the Monitor and the Debtors' review of the May 22 Forecast, which, subject to the assumptions contained therein, projects sufficient liquidity for the Debtors to continue going concern operations until June 5, 2026, on May 19, 2026, the DIP Deadline was extended to 5:00 p.m. (Toronto time) on May 25, 2026. This extension is intended to provide sufficient time in the context of the CCAA Proceedings for potential DIP lenders to put their best proposal forward.

## **THE AMENDED AND RESTATED INITIAL ORDER**

### **INCREASE TO THE ADMINISTRATION CHARGE**

21. The Initial Order granted an Administration Charge in an amount of \$2 million in favour of the Monitor, the Monitor's Counsel and the Debtors' Counsel. For the purposes of the Initial Order, the Administration Charge was limited to the amount reasonably necessary during the initial Stay Period.
22. In the ARIO, the Debtors are seeking an increase in the amount of the Administration Charge to \$5 million. The Monitor assisted the Debtors with the calculation of the Administration Charge, and is of the view that the proposed quantum of the Administration Charge in the ARIO is reasonable and appropriate in the circumstances given the significant complexities of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge.
23. Accordingly, the Monitor respectfully recommends that the Applicants' request for the increase to the Administration Charge in the ARIO be granted by this Honourable Court.

### **INCREASE TO THE D&O CHARGE**

24. The Initial Order granted the D&O Charge in an amount of \$14 million in favour of the D&O Parties.
25. As stated in the Pre-Filing Report, the quantum of the D&O Charge in the Initial Order was based on estimated amounts for which directors could potentially have statutory personal liability during the initial Stay Period under the Initial Order, including:
  - (a) wages, salaries and applicable withholdings; and
  - (b) accrued vacation pay.

26. In the Initial Order, the calculation of the D&O Charge included one week of wages and salaries arrears for unionized employees, as well as ten days of wages and salaries for all employees.
27. An increase in the D&O Charge in the ARIO is necessary for two reasons:
- (a) the amount for wages and salaries that will form the basis for the quantum of the D&O Charge in the ARIO will include a calculation that accounts for a full payroll period, rather than only ten days under the Initial Order calculation; and
  - (b) in Nunavut, directors and officers can also face personal liability for unpaid statutory termination pay of employees. The quantum of the D&O Charge sought in the ARIO includes an estimated amount, calculated in accordance with applicable legislation in Nunavut to include termination costs for all Nunavut employees, both active and inactive, using such employees' average weekly earnings, to account for this contingency. As set out in the Second Van Tonder Affidavit, the Company has no intention of terminating employees in Nunavut.
28. As a result, the Debtors are seeking an increase in the D&O Charge to \$20.4 million as follows:

<b>D&amp;O Charge Summary</b>	<b>Initial Filing</b>	<b>Comeback Hearing</b>
<i>Wages, Salary and Termination</i>		
Payroll	11,389,757	11,540,079
Termination pay	-	6,230,567
<b>Total Wages, Salary and Termination</b>	<b>11,389,757</b>	<b>17,770,646</b>
Accrued Vacation	2,558,850	2,558,850
<b>Total</b>	<b>13,948,607</b>	<b>20,329,496</b>
<b>Rounded</b>	<b>14,000,000</b>	<b>20,400,000</b>

29. The Monitor is of the view that the proposed increase in the quantum of the D&O Charge is reasonable and justified in relation to the quantum of the estimated potential liability. The Monitor respectfully recommends that the Applicants' request for the increase in the quantum of the D&O Charge be granted by this Honourable Court.

#### **ADDITIONAL RESTRUCTURING AUTHORIZATIONS**

30. The ARIO provides for certain additional restructuring authorizations that are in substantially similar form to the applicable provisions in the Model Initial CCAA Order, but were not included in the Initial Order, which was limited to what was necessary for the initial Stay Period.
31. The Monitor is of the view that such additional authorizations are reasonable and necessary for the successful operation of the CCAA Proceedings and the continuation of going concern operations of the Debtors.

#### **EXTENSION OF THE STAY PERIOD**

32. The Stay Period currently expires on May 25, 2026. Additional time is required for the Debtors to proceed with developing and implementing a viable plan to address their financial difficulties, including finalizing and seeking approval of a DIP Financing Agreement in the near term and during the proposed extended Stay Period. An extension of the Stay Period is necessary to provide the stability required during that time. Accordingly, the Debtors now seek an extension of the Stay Period to June 5, 2026.
33. The May 22 Forecast attached as Appendix "B" demonstrates that, subject to the assumptions contained therein, the Debtors are projected to have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.
34. Based on the information currently available, the Monitor believes that circumstances exist that make the proposed extension of the Stay Period appropriate and that creditors of the Debtors would not be materially prejudiced by the proposed extension of the Stay Period.

35. The Monitor also believes that the Debtors have acted, and are acting, in good faith and with due diligence.
36. The Monitor therefore respectfully recommends that this Honourable Court grant the Debtors' request for an extension of the Stay Period to June 5, 2026.

The Monitor respectfully submits to the Court this First Report.

Dated this 22<sup>nd</sup> day of May, 2026.

FTI Consulting Canada Inc.  
In its capacity as Monitor of  
Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc.



Jeffrey Rosenberg  
Senior Managing Director



Greg Watson  
Senior Managing Director

---

# Appendix A

---

Pre-Filing Report of the Proposed Monitor

**Court File No. CL-26-00000219-0000**

**Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation  
and 12334992 Canada Inc.**

**PRE-FILING REPORT OF THE PROPOSED MONITOR**

**May 14, 2026**

**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.

**PRE-FILING REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS PROPOSED MONITOR**

**INTRODUCTION**

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) has been informed that Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (the “**Applicants**”) intend to make an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an initial order (the “**Proposed Initial Order**”) granting, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants for an initial ten days, (the “**Stay Period**”) and appointing FTI as monitor (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. This pre-filing report of the Proposed Monitor (the “**Report**”) has been prepared to provide information to this Court for its consideration in respect of the relief sought by the Applicants in the Proposed Initial Order.

3. The Proposed Monitor understands that the Applicants will be seeking a further order (the “**Proposed Amended and Restated Initial Order**”) at a subsequent hearing (the “**Comeback Hearing**”), to be scheduled with the supervising judge prior to the expiry of the Stay Period, granting certain broader relief. If appointed, the Monitor intends to file a further report in advance of the Comeback Hearing to provide information on the relief sought in the Proposed Amended and Restated Initial Order.
4. The purpose of this Report is to inform the Court on the following:
  - (a) The qualifications of FTI to act as Monitor and an overview of the involvement of FTI and its affiliates with the Applicants to date;
  - (b) The proposed conduct of the CCAA Proceedings;
  - (c) The weekly cash flow forecast for the period of May 16, 2026, to May 29, 2026 (the “**May 14 Forecast**”) of the Applicants and Baffinland Iron Mines LP (“**BIM LP**”) (collectively, the “**Debtors**”);
  - (d) The Applicants’ request for a stay of proceedings against the Applicants (including an extension of the stay of proceedings to BIM LP) for an initial 10-day period and the Proposed Monitor’s recommendation thereon;
  - (e) The Applicants’ request for approval of a charge in the amount of \$2 million (the “**Administration Charge**”) for the initial Stay Period securing the fees and expenses of the Monitor and legal counsel to the Monitor (the “**Monitor’s Counsel**”), legal counsel of the Applicants (the “**Applicants’ Counsel**”), and the Proposed Monitor’s recommendation thereon; and

- (f) The Applicants' request for approval of a charge in the amount of \$14 million (the "**D&O Charge**") for the initial Stay Period securing the indemnification by the Debtors of its directors and officers, or against any member of the Operating Committee to the extent such member is or was directly or indirectly exercising the powers of the directors of any of the Debtors (collectively, the "**D&O Parties**") against obligations and liabilities that they may incur as directors or officers of the Applicants, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors, after the commencement of the CCAA Proceedings, except to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or wilful misconduct, and the Proposed Monitor's recommendation thereon.

#### **TERMS OF REFERENCE**

5. In preparing this Report, the Proposed Monitor has relied upon unaudited financial information of the Debtors, the Debtors' books and records, certain financial information prepared by the Debtors and discussions with various parties (the "**Information**").
6. Except as otherwise described in this Report:
- (a) The Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
- (b) The Proposed Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

7. The Proposed Monitor has prepared this Report in connection with the Applicants' application for the Proposed Initial Order (the "**Initial Application**") and this Report should not be relied on for any other purpose.
8. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of the management of the Debtors ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the affidavit of Ms. Van Tonder, CFO of the Debtors (the "**Van Tonder Initial Affidavit**"), sworn May 14, 2026, in support of the Initial Application.

## **EXECUTIVE SUMMARY**

10. The Proposed Monitor is of the view that:
  - (a) Granting the relief requested in the Proposed Initial Order will provide the Debtors with the best opportunity to preserve and maximize value for its stakeholders and provide the breathing room necessary to continue operations on a going-concern basis;
  - (b) The quantum of the proposed Administration Charge is reasonable in the circumstances;
  - (c) The quantum of the proposed D&O Charge is reasonable in relation to the quantum of the estimated potential liability; and
  - (d) The relief requested by the Debtors, including the Stay of Proceedings, the Administration Charge and the D&O Charge, is necessary, reasonable and justified.
11. Accordingly, the Proposed Monitor respectfully recommends that the Applicants' request for the Proposed Initial Order be granted by this Honourable Court.

## **FTI AND ITS AFFILIATES**

### **QUALIFICATIONS TO ACT**

12. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. FTI has provided its consent to act as Monitor, a copy of which is attached to this Report as **Appendix A**.
13. As set out in greater detail below, FTI has been acting as financial advisor to the Applicants since January 14, 2026, and is familiar with their business and operations, certain of their personnel, the key issues and the key stakeholders in the CCAA Proceedings. The senior FTI representative with carriage of this matter is an experienced Chartered Insolvency and Restructuring Professional and a Licensed Insolvency Trustee, who has acted in restructurings and CCAA matters in Ontario and other provinces of Canada and as an authorized “foreign representative” in foreign jurisdictions.

### **INVOLVEMENT TO DATE OF FTI**

14. FTI was originally engaged as financial advisor to the Debtors pursuant to an engagement letter between FTI and the Debtors, executed January 14, 2026 (the “**FTI Engagement Letter**”), and has been actively engaged with respect to the Debtors’ business from time to time since then in providing assistance and advice to the Applicants. Pursuant to the terms of the FTI Engagement Letter, FTI’s role as financial advisor was to provide financial advisory and consulting services and, if necessary, to act as Monitor under proceedings commenced by the Debtors under the CCAA.
15. FTI has provided no accounting or auditing advice to the Applicants. Fees payable to FTI pursuant to the FTI Engagement Letter are based on hours worked multiplied by normal hourly rates. FTI is not entitled to any success-based or other contingency-based fee.

## **THE DEBTORS' BUSINESS & AFFAIRS AND FINANCIAL DIFFICULTIES**

16. The business and affairs of the Debtors and their financial difficulties are described in the Van Tonder Initial Affidavit. The Proposed Monitor has reviewed the Van Tonder Initial Affidavit and discussed the business and affairs of the Debtors and the causes of their financial difficulties with Management and is of the view that the Van Tonder Initial Affidavit provides a fair and accurate summary thereof.

## **THE PROPOSED CONDUCT OF THE CCAA PROCEEDINGS**

17. As described in the Van Tonder Initial Affidavit, at the Comeback Hearing the Applicants intend to seek:
- (a) An extension of the Stay Period;
  - (b) Approval of a debtor in possession facility;
  - (c) An increase in the Administration Charge;
  - (d) An increase in the Director's Charge;
  - (e) Approval of a key employee retention plan (the "**KERP**") and/or key employee incentive plan (the "**KEIP**"), and the granting of a charge to secure payments under the KERP; and
  - (f) A declaration that certain suppliers whose continued provision of goods and services is essential to the ongoing operation of the Mary River Mine and the safety of its personnel are "critical suppliers" who are entitled to the benefit of a critical supplier charge.
18. If appointed, the Monitor will provide a report with its recommendations on the proposed additional relief prior to the Comeback Hearing.

## THE MAY 14 FORECAST

19. The May 14 Forecast, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix B**. The May 14 Forecast shows a net cash outflow of approximately \$9.2 million for the period May 16, 2026, to May 29, 2026, and is summarized below:

<b>Cash Flow Forecast</b>	<b>Initial Period</b>
<i>(\$USD in millions)</i>	<i>Forecast</i>
<b>Total Receipts</b>	6.1
<b>Operating Disbursements</b>	
Labour	(5.9)
Vendor Payments	(7.0)
Other Operating Costs	(0.4)
Legal and Professional Fees	(2.0)
<b>Net Cash Flow</b>	<b>(9.2)</b>
<b>Cash</b>	
Beginning Balance (excl. Restricted Cash)	15.4
Net Cash Flow	(9.2)
<b>Ending Cash Balance</b>	<b>6.2</b>

20. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:
- (a) The May 14 Forecast has been prepared by Management of the Debtors for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 1 to 6 thereof;

- (b) The Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of Management and employees of the Debtors. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the May 14 Forecast. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the May 14 Forecast;
- (c) Based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:
  - (i) The hypothetical assumptions are not consistent with the purpose of the May 14 Forecast;
  - (ii) As at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the May 14 Forecast, given the hypothetical assumptions; or
  - (iii) The May 14 Forecast does not reflect the probable and hypothetical assumptions;
- (d) Since the May 14 Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the May 14 Forecast will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Proposed Monitor in preparing this Report; and

- (e) The May 14 Forecast has been prepared solely for the purpose described in Note 1 on the face of the May 14 Forecast and readers are cautioned that it may not be appropriate for other purposes.

## **THE STAY OF PROCEEDINGS**

- 21. The Proposed Monitor is of the view that the Stay of Proceedings sought by the Applicants in the Proposed Initial Order, including the extension of the stay to BIM LP, is appropriate in the circumstances to allow the Applicants to proceed with developing and implementing a viable plan to address their financial difficulties. As set out in the Van Tonder Initial Affidavit, BIM LP owns assets and performs functions integral to the Debtors' business.
- 22. This Court has exercised its jurisdiction in other CCAA proceedings, where circumstances warranted, to grant stays of proceedings similar to those sought in the Proposed Initial Order.
- 23. At the Comeback Hearing, the Applicants anticipate requesting a further extension of the Stay of Proceedings.

## **THE PROPOSED ADMINISTRATION CHARGE**

- 24. The Debtors are seeking the granting of an Administration Charge in the amount of \$2 million in the Proposed Initial Order, with priority over all claims against the property of the Applicants other than any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application.
- 25. The beneficiaries of the Administration Charge, if granted, would be the Monitor, the Monitor's Counsel and the Applicants' Counsel. The Proposed Monitor believes that it is appropriate that the proposed beneficiaries of the Administration Charge be afforded the benefit of a charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.

26. The Proposed Monitor assisted the Debtors with the calculation of the Administration Charge, and is of the view that the proposed quantum of the Administration Charge in the Proposed Initial Order is reasonable and appropriate in the circumstances given the complexities of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge.
27. Accordingly, the Proposed Monitor respectfully recommends that the Applicants' request for the Administration Charge in the Proposed Initial Order be granted by this Honourable Court.

### **THE PROPOSED D&O CHARGE**

28. The Debtors are seeking the granting of the D&O Charge in the amount of \$14 million with priority over all claims against the property of the Applicants other than the Administration Charge and any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application.<sup>1</sup>
29. As described in the Van Tonder Initial Affidavit, the Debtors intend to seek an increase in the D&O Charge at the Comeback Hearing.
30. The beneficiaries of the D&O Charge, if granted, would be the D&O Parties. It is the Proposed Monitor's view that the continued support and service of the D&O Parties during the CCAA Proceedings would be beneficial to the Debtors' efforts to preserve value and maximize recoveries for stakeholders. The Proposed Monitor has been informed that the D&O Parties will not continue to serve unless the D&O Charge is granted.
31. In respect of the members of the Operating Committee, the Proposed Monitor has been informed that these individuals possess critical institutional knowledge of the Debtors and their operations.

---

<sup>1</sup> Provided that pursuant to the Proposed Initial Order, the Applicants are permitted to seek an Order at the Comeback Hearing or any other subsequent motion in the CCAA Proceedings granting priority to the Administration Charge or the D&O Charge and the other court-ordered charges ahead of secured creditors (if any) who did not receive notice of the Initial Application.

32. The quantum of the proposed D&O Charge in the Proposed Initial Order is based on estimated amounts for which directors could potentially have statutory personal liability during the Initial Stay Period under the Proposed Initial Order, if granted, including:
  - (a) wages, salaries and applicable withholdings; and
  - (b) accrued vacation pay.
33. The Debtors' wages and salaries costs include employees who are paid semi-monthly, as well as unionized employees, who are paid bi-weekly, one week in arrears. Therefore, the estimated amounts for which directors could potentially have liability includes one week of wages and salaries arrears for unionized employees, as well as ten days of wages and salaries for all employees.
34. As described in the Van Tonder Initial Affidavit, the Applicants intend to seek an increase in the D&O Charge at the Comeback Hearing, which is necessary for two reasons. First, the amount for wages and salaries that will form the basis for the quantum of the D&O Charge in the Proposed Amended and Restated Initial Order will include a calculation that accounts for a full payroll period, rather than only ten days under the Proposed Initial Order calculation.
35. Second, the Proposed Monitor understands that in Nunavut, directors and officers can also face personal liability for unpaid statutory termination pay of employees. Accordingly, the quantum of the D&O Charge that will be sought in the Proposed Amended and Restated Initial Order will also include an estimated amount to account for this contingency.
36. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the Proposed Initial Order.

37. The Proposed Monitor also notes that directors and officers will not be entitled to the benefit of the D&O Charge to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or wilful misconduct.
38. Accordingly, the Proposed Monitor respectfully recommends that the Debtors' request for the D&O Charge in the Proposed Initial Order be granted by this Honourable Court.

The Proposed Monitor respectfully submits to the Court this Pre-Filing Report.

Dated this 14<sup>th</sup> day of May, 2026.

FTI Consulting Canada Inc.  
In its capacity as Proposed Monitor of  
Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc.



Jeffrey Rosenberg  
Senior Managing Director



Nate Fennema  
Managing Director

---

# Appendix A

---

## Monitor's Consent to Act

**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.**

**CONSENT TO ACT AS MONITOR**

**FTI CONSULTING CANADA INC.** hereby consents to act as Monitor of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in respect of these proceedings.

Dated at Toronto, Ontario this 14th day of May, 2026

**FTI CONSULTING CANADA INC.**

Per: \_\_\_\_\_

Name: Jeffrey Rosenberg

Title: Senior Managing Director

---

# Appendix B

---

## The May 14 Forecast

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

**Illustrative Consolidated Cash Flow Projections**

<i>(\$USD in millions)</i>				
		<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<b>Forecast Week Ending</b>	<b>Note</b>	<b>22-May-26</b>	<b>29-May-26</b>	<b>Total</b>
Forecast Week	[1]	1	2	
<b>Receipts</b>				
Other Receipts		6.1	-	6.1
<b>Total Receipts</b>	[2]	<b>6.1</b>	<b>-</b>	<b>6.1</b>
<b>Operating Disbursements</b>				
Labour	[3]	-	(5.9)	(5.9)
Vendor Payments	[4]	(3.5)	(3.5)	(7.0)
Other Operating Costs	[5]	-	(0.4)	(0.4)
<b>Total Operating Disbursements</b>		<b>(3.5)</b>	<b>(9.9)</b>	<b>(13.4)</b>
<b>Operating Cash Flow</b>		<b>2.6</b>	<b>(9.9)</b>	<b>(7.2)</b>
<b>Non-Operating Expenses</b>				
Legal and Professional Fees	[6]	(1.0)	(1.0)	(2.0)
<b>Net Cash Flow</b>		<b>1.6</b>	<b>(10.9)</b>	<b>(9.2)</b>
<b>Cash</b>				
Beginning Balance (excl. Restricted Cash)		15.4	17.0	15.4
Net Cash Flow		1.6	(10.9)	(9.2)
<b>Ending Cash Balance</b>		<b>17.0</b>	<b>6.2</b>	<b>6.2</b>

**Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc.  
(collectively the "Applicants" or the "Company")**

**Cash Flow Forecast  
Notes and Summary of Assumptions**

**Disclaimer**

*In preparing this cash flow forecast (the "May 14 Forecast"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The May 14 Forecast includes assumptions described below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the May 14 Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the May 14 Forecast period will vary from the May 14 Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

*The May 14 Forecast is presented in millions of United States dollars. Any estimates in Canadian dollars have been translated at a foreign exchange rate of 1.38.*

- [1] Purpose:** The purpose of the May 14 Forecast is to estimate the liquidity requirements of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc., and Baffinland Iron Mines LP (the "**Debtors**") during the forecast period.
- [2] Total Receipts:** Receipts from the Company's off-take financing partner are not included in the May 14 Forecast given uncertainty around timing of these collections. Other receipts are based on an expected receipt of an excise tax refund from Canadian government entities for fuel tax payments made prior to the forecast period.
- [3] Labour:** Labour costs are forecast based on current production levels at Mary River Mine and management and overhead labour required to support same. The Company is current with all labour costs and related CRA payments at the date of filing.
- [4] Vendor Payments:** Vendor Payments include disbursements to onsite commercial vendors, a northern airfreight supplier and various operating costs required to facilitate continued mine operations.
- [5] Other Operating Costs:** Other operating costs include lease payment for operational equipment.
- [6] Legal and Professional Fees:** Includes estimated fees for Applicants' legal counsel, the Proposed Monitor and Proposed Monitor's legal counsel to facilitate the CCAA Proceedings.



FTI Consulting Canada Inc.  
TD South Tower, 79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, ON M5K 1G8, Canada

Attention: Mr. Jeffrey Rosenberg

MAY 14, 2026

Dear Sir:

RE: NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION AND 12334992 CANADA INC. (COLLECTIVELY THE "APPLICANTS") - CCAA SECTION 10(2) PRESCRIBED REPRESENTATIONS WITH RESPECT TO THE CASH FLOW FORECAST

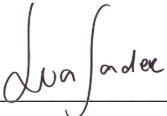
In connection with the application by the Applicants for the commencement of proceedings under the *Companies' Creditors Arrangement Act*, the management of the Applicants has prepared the attached 2-week projected cash flow statement for the period May 16, 2026 to May 29, 2026 (the "**May 14 Forecast**") and the list of assumptions on which the May 14 Forecast is based. The purpose of the May 14 Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

The Applicants confirm that the hypothetical assumptions on which the May 14 Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the May 14 Forecast (the "**Notes**").

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the May 14 Forecast may not be appropriate for other purposes.

Yours truly,

Per:  \_\_\_\_\_

Name: Celeste Van Tonder  
Title: CFO

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CL-26-0000219-0000

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

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

---

**PRE-FILING REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS PROPOSED MONITOR**

---

**OSLER, HOSKIN & HARCOURT LLP**

100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto ON M5X 1B8

**Marc Wasserman** (LSO# 44066M)

Tel: 416.862.4908

Email: [MWasserman@osler.com](mailto:MWasserman@osler.com)

**Michael De Lellis** (LSO# 48038U)

Tel: 416.862.5997

Email: [MDeLellis@osler.com](mailto:MDeLellis@osler.com)

Lawyers for FTI Consulting Canada Inc., in its capacity as  
Proposed Monitor

---

# Appendix B

---

May 22 Forecast

**NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION and 12334992 CANADA INC.**

**Illustrative Consolidated Cash Flow Projections**

<i>(\$USD in millions)</i>					
		<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<b>Forecast Week Ending</b>	<b>Note</b>	<b>22-May-26</b>	<b>29-May-26</b>	<b>05-Jun-26</b>	<b>Total</b>
Forecast Week	[1]	1	2	3	
<b>Receipts</b>					
Milne Port Offtakes		-	-	10.7	10.7
Other Receipts		6.1	-	-	6.1
<b>Total Receipts</b>	<b>[2]</b>	<b>6.1</b>	<b>-</b>	<b>10.7</b>	<b>16.8</b>
<b>Operating Disbursements</b>					
Labour	[3]	(0.0)	(6.1)	(0.0)	(6.1)
Vendor Payments	[4]	(4.6)	(4.0)	(4.9)	(13.5)
Sealift Purchases	[5]	(0.5)	(0.5)	(0.5)	(1.4)
<b>Total Operating Disbursements</b>		<b>(5.1)</b>	<b>(10.5)</b>	<b>(5.4)</b>	<b>(21.0)</b>
Exploration	[6]	(0.2)	(0.2)	(0.8)	(1.3)
Steensby Project Costs	[7]	(0.3)	(0.9)	-	(1.2)
<b>Operating Cash Flow</b>		<b>0.5</b>	<b>(11.7)</b>	<b>4.4</b>	<b>(6.8)</b>
<b>Total Overhead Costs</b>	<b>[8]</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(2.7)</b>
<b>Net Cash Flow</b>		<b>(0.2)</b>	<b>(12.4)</b>	<b>3.0</b>	<b>(9.6)</b>
<b>Cash</b>					
Beginning Balance (excl. Restricted Cash)		15.4	15.2	2.8	15.4
Net Cash Flow		(0.2)	(12.4)	3.0	(9.6)
<b>Ending Cash Balance</b>		<b>15.2</b>	<b>2.8</b>	<b>5.8</b>	<b>5.8</b>

**Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc.  
(collectively the "Applicants" or the "Company")**

**Cash Flow Forecast  
Notes and Summary of Assumptions**

**Disclaimer**

*In preparing this cash flow forecast (the "May 22 Forecast"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The May 22 Forecast includes assumptions described below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the May 22 Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the May 22 Forecast period will vary from the May 22 Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

*The May 22 Forecast is presented in millions of United States dollars. Any estimates in Canadian dollars have been translated at a foreign exchange rate of 1.38.*

- [1] Purpose:** The May 22 Forecast has been developed to estimate the liquidity requirements of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (the "Company") during the forecast period.
- [2] Total Receipts:** Receipts from the Company's off-take financing partner are based on expected payments for amounts invoiced to the counterparty and due within the forecast period. Other receipts include an excise tax refund from Canadian government entities for fuel tax payments made prior to the forecast period.
- [3] Labour:** Forecast based on current production levels at Mary River Mine and management and overhead labour required to support same. The Company is current with all labour costs and related CRA payments at the date of filing.
- [4] Vendor Payments:** Includes disbursements to onsite commercial vendors, freight suppliers and various operating costs required to facilitate continued mine operations.
- [5] Sealift Purchases:** Includes disbursements for consumables required to be shipped to the Mary River Mine during the Sealift window.
- [6] Exploration:** Includes costs associated with location identification, discovery, and quantity and quality assessments of untapped deposits in the Mary River Mine area.
- [7] Steensby Project Costs:** Includes costs required to advance the Steensby railway project.
- [8] Overhead Costs:** Includes general and administrative costs, commercial lease payments and insurance instalment payments.



FTI Consulting Canada Inc.  
TD South Tower, 79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, ON M5K 1G8, Canada

Attention: Mr. Jeffrey Rosenberg

1.1 MAY 22, 2026

Dear Madam:

1.2 RE: NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION AND 12334992 CANADA INC. (COLLECTIVELY THE "APPLICANTS") - CCAA SECTION 10(2) PRESCRIBED REPRESENTATIONS WITH RESPECT TO THE CASH FLOW FORECAST.

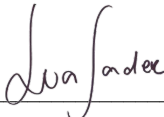
In connection with the application by the Applicants for the continuation of proceedings under the *Companies' Creditors Arrangement Act*, the management of the Applicants has prepared the attached 3-week projected cash flow statement for the period May 16, 2026 to June 5, 2026 (the "**May 22 Forecast**") and the list of assumptions on which the May 22 Forecast is based. The purpose of the May 22 Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

The Applicants confirm that the hypothetical assumptions on which the May 22 Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the May 22 Forecast (the "**Notes**").

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the May 22 Forecast may not be appropriate for other purposes.

Yours truly,

Per:  \_\_\_\_\_

Name: Celeste Van Tonder  
Title: CFO

---



: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.

Court File No. CL-26-00000219-0000

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

---

**FIRST REPORT OF THE MONITOR**

---

**OSLER, HOSKIN & HARCOURT LLP**

100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto ON M5X 1B8

**Marc Wasserman** (LSO# 44066M)

Tel: 416.862.4908

Email: [mwasserman@osler.com](mailto:mwasserman@osler.com)

**Jeremy Dacks** (LSO# 41851R)

Tel: 416.862.4923

Email: [jdacks@osler.com](mailto:jdacks@osler.com)

**Michael De Lellis** (LSO# 48038U)

Tel: 416.862.5997

Email: [mdelellis@osler.com](mailto:mdelellis@osler.com)

Lawyers for the Monitor, FTI Consulting Canada Inc.