

**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.**

Applicants

**MOTION RECORD  
(RETURNABLE MAY 25, 2026)**

May 20, 2026

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Court File No. CL-26-00000219-0000

**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.**

**Applicants**

**NOTICE OF MOTION**

The Applicants, Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation ("**BIM Corp**"), and 12334992 Canada Inc., will make a motion before the Ontario Superior Court of Justice (Commercial List) on Monday, May 25, 2026 at 2:00PM, or as soon thereafter as the motion can be heard.

**PROPOSED METHOD OF HEARING:**

The motion is to be heard orally by videoconference, the details of which will be provided by the Court.

**THE MOTION IS FOR**

1. An Amended and Restated Initial Order (the "**ARIO**"), substantially in the form attached at Tab 3 of the Applicants' Motion Record, which, among other things:

- (a) extends the stay of proceedings against the Applicants and Baffinland Iron Mines LP ("**BIM LP**", and collectively with the Applicants, the "**Debtors**") up to and including June 5, 2026 (the "**Stay**");

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- (b) extends and increases the amount of the charge (the “**Administration Charge**”) granted over the assets and property of the Debtors in favour of the Monitor (defined below), counsel to the Monitor and counsel to the Debtors from US\$2 million to US\$5 million; and
- (c) extends and increases the amount of the charge (the “**D&O Charge**”) granted over the assets and property of the Debtors in favour of the directors and officers of the Debtors and members of the Operating Committee (defined below) acting in the capacity as directors (collectively, the “**D&O Parties**”) from US\$14 million to US\$20.4 million.

2. Such further and other relief as this Honourable Court may deem just.

## THE GROUNDS FOR THE MOTION ARE

### *Background of the CCAA Proceeding*

3. 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 day-to-day mining operations are carried out by BIM LP, through its general partner BIM Corp (collectively, “**Baffinland**”). Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people.

4. The Debtors are currently facing financial difficulties as a result of, among other things, high debt-servicing costs, constrained production limits and high operating costs. Despite implementing cost reduction and other initiatives to improve profitability, the

Debtors have been unable to generate sufficient revenue to service their outstanding debt obligations and cover their fixed operating costs.

5. On May 15, 2026, an order (the “**Initial Order**”) was made granting the Applicants protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

6. Pursuant to the Initial Order, among other things:

- (a) FTI Consulting Canada Inc. was appointed Monitor of the Debtors in the CCAA proceedings (the “**Monitor**”);
- (b) an initial 10-day stay of proceedings was granted in favour of the Debtors, until and including May 25, 2026 (the “**Stay**”);
- (c) the Administration Charge was granted in the amount of US\$2 million and the D&O Charge was granted in the amount of US\$14 million; and
- (d) a hearing date of May 25, 2026 was set for the comeback motion.

7. The Initial Order issued in these CCAA proceedings has allowed the Debtors to stabilize their operations, advance discussions on fuel procurement, and continue to pursue debtor-in-possession (“**DIP**”) financing through a process overseen by the Monitor.

### ***Extension of Stay***

8. The Applicants request an extension of the Stay up to and including June 5, 2026. The length of the Stay extension contemplates the time required to complete a

competitive DIP solicitation process and continue to stabilize operations and allow the Debtors to continue to engage with their stakeholders, including Inuit stakeholders, suppliers and communities who are economically reliant on the Debtors' business operations.

9. The Debtors have acted, and continue to act, in good faith and with due diligence in these CCAA proceedings since the Filing Date.

***Increase in the Amount of the Administration Charge***

10. The Initial Order granted a first priority charge in the amount of US\$2 million to secure the fees and disbursements to be incurred by the Debtors' counsel, the Monitor and the Monitor's counsel up to the date of the comeback hearing.

11. The Applicants now seek to extend the Administration Charge and increase it to US\$5 million.

12. The Debtors determined the quantum of the increased Administration Charge in conjunction with the Monitor and believe it to be reasonable. Such quantum is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge and includes an estimate of the fees and disbursements which will be incurred to engage local counsel in Nunavut.

13. Notice of the proposed ARIO and the increases to the Administration Charge has been given to the Debtors' secured creditors and parties shown on personal property security searches.

***Increase in the Amount of the D&O Charge***

14. The Initial Order approved a D&O Charge in the amount of US\$14 million. The quantum of the D&O Charge was limited to those indemnification obligations and liabilities that the Debtors expected the D&O Parties could face from the date of the Initial Order until the comeback hearing.

15. The Applicants seek to increase the quantum of the D&O Charge to \$20.4 million to protect the D&O Parties against obligations and liabilities they may incur during these CCAA Proceedings including: (a) wages, salaries and applicable withholdings, (b) accrued vacation pay, and (c) termination obligations.

16. This amount includes an increase in the amount for wages and salaries resulting from the inclusion of a full payroll period and a week of arrears in the calculation, rather than only 10 days that was included in the calculation of the D&O Charge granted under the Initial Order and approximately \$6.2 million for potential termination liabilities owed to individual employees in Nunavut. While the Debtors have no intention to terminate any employees in Nunavut, under Nunavut law, termination obligations attract director liability.

17. The quantum of the increased D&O Charge calculated by the Debtors with the assistance of the Monitor.

18. Notice of the increase to the D&O Charge has been given to the Debtors' secured creditors and parties shown on personal property security searches.

**OTHER GROUNDS FOR THE MOTION**

19. The provisions of the CCAA and the statutory, inherent and equitable jurisdiction of this Court;

20. Rules 1.03, 1.05, 2.01, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

21. Sections 97, 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended;

22. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion

23. The Affidavit of Celese van Tonder sworn May 14, 2026 and the Exhibits referred to therein;

24. The Affidavit of Celese van Tonder sworn May 20, 2026 and the Exhibits referred to therein;

25. The Pre-Filing Report of the Monitor dated May 14, 2026 and the First Report of the Monitor and the Appendices attached thereto;

26. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

-7-

May 20, 2026

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**IN THE MATTER OF** the *Companies' Creditors Arrangement Act*, R.S.C. 1985, 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.

Applicants

Court File No. CL-26-00000219-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF MOTION**

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*Lawyers for the Applicants and Baffinland Iron Mines LP*

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

**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.**

Applicants

**AFFIDAVIT OF CELESTE VAN TONDER  
(Sworn May 20, 2026)**

I, Celeste van Tonder, of the City of Oakville, in the Province of Ontario, **MAKE**

**OATH AND SAY:**

1. I am the Vice President and Chief Financial Officer of Nunavut Iron Ore, Inc., the Chief Financial Officer of 12334992 Canada Inc., and the Chief Financial Officer of Baffinland Iron Mines Corporation ("**BIM Corp**"), which also acts as the general partner of Baffinland Iron Mines LP ("**BIM LP**", and together with the Applicants, the "**Debtors**"). I have held these positions since October 2, 2023. I have also been a director of 123 Canada Inc and BIM Corp since August 29, 2024.

2. I am familiar with the Debtors' day-to-day operations, business and financial affairs and I have been actively engaged in discussions and negotiations concerning their financial circumstances. As such, I have personal knowledge of the matters described in this Affidavit. Where I have relied on information from other sources, I have stated the source and verily believe such information to be true.

3. I swore an affidavit on May 14, 2026 (the "**Initial Affidavit**") in support of the Applicants' application for an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement*

*Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). My Initial Affidavit, among other things, outlined the business operations and financial position of the Debtors. Capitalized terms used, but not defined in this Affidavit, have the meaning given to them in my Initial Affidavit.

4. This Affidavit is sworn in support of a motion for an Amended and Restated Initial Order (the “**ARIO**”), among other things:

- (a) extending the stay of proceedings (the “**Stay**”) against the Debtors up to and including June 5, 2026;
- (b) extending and increasing the amount of the Administration Charge (defined below) from \$2 million to \$5 million; and
- (c) extending and increasing the amount of the D&O Charge (defined below) from \$14 million to \$20.4 million.

5. In the Initial Affidavit, I indicated that the Applicants intended to seek approval of a debtor-in-possession credit facility, a key employee retention plan and/or key employee incentive plan, and an order declaring certain suppliers of the Debtors as critical suppliers, together with related priority charges, at this comeback hearing. The Applicants are not currently seeking this relief in connection with the ARIO. However, it is expected that some or all of this relief may be sought in the coming weeks, including approval of the debtor-in-possession credit facility and key employee retention or incentive plans.

6. All dollar amounts in this Affidavit are expressed in United States dollars unless otherwise stated.

## A. BACKGROUND AND OVERVIEW

7. The Debtors are a group of affiliated entities engaged in iron ore mining operations at the Mary River mine (the “**Mine**”), one of the highest-grade iron ore mines in the world located in the Qikiqtani Region of Nunavut on Baffin Island, Canada. The day-to-day mining operations are carried out by BIM LP, through its general partner BIM Corp (collectively, “**Baffinland**”). Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people.

8. As described in greater detail in my Initial Affidavit, which is attached as **Exhibit “A”** to this Affidavit (without the exhibits referred to therein), the Debtors’ financial difficulties are the product of several converging factors, including (a) high debt-servicing costs from substantial outstanding indebtedness, (b) significant capital expenditures and commitments incurred in connection with a proposed railway, which was ultimately rejected by the federal Minister of Northern Affairs, (c) constrained transportation and shipping limits imposed under existing regulatory approvals, and (d) the high operating costs associated with the current operations model.

9. Despite undertaking significant cost-reduction and efficiency measures to increase profitability, the Debtors were unable to generate sufficient revenue to service their outstanding debt obligations and cover their fixed operating costs.

10. As a result, on May 15, 2026 (the “**Filing Date**”), the Debtors obtained relief under the CCAA.

11. The Initial Order issued by the Court, among other things:

- (a) granted a stay of proceedings against the Debtors until May 25, 2026;

- (b) appointed FTI Consulting Canada Inc. as the monitor of the Applicants (in such capacity, the “**Monitor**”);
- (c) granted charges against the property of the Debtors (i) in favour of the Monitor, counsel to the Monitor and counsel to the Debtors in the amount of \$2 million (the “**Administration Charge**”), and (ii) in favour of the D&O Parties (as defined below) of the Debtors (the “**D&O Charge**”) in the amount of \$14 million; and
- (d) set a hearing date of May 25, 2026 for the Comeback Hearing.

12. The Initial Order issued in these CCAA proceedings has allowed the Debtors to start to stabilize their operations, advance discussions on fuel procurement, and continue to pursue debtor-in-possession financing through a process overseen by the Monitor.

## **B. THE DEBTORS’ ACTIVITIES SINCE THE INITIAL ORDER**

13. Since the granting of the Initial Order, the Debtors, in close consultation with, and with the assistance of, the Monitor, have been working in good faith and with due diligence to stabilize the Debtors’ business and operations.

### **(i) Stakeholder Communications**

14. Following the Court’s issuance of the Initial Order, the Debtors served the Initial Order and Application Record on the service list and published a press release in order to inform their various stakeholders of the granting of the Initial Order. A copy of the press release is attached hereto as **Exhibit “B”**.

15. On the same day, senior management of the Debtor held meetings with the Debtors’ employees, including those at the Mine site. Senior management also spoke with representatives of the International Union of Operating Engineers, Local 793, the union representing the Debtors’

unionized employees on May 15, 2026. Following such discussion, the union issued a communication to its members, among other things, asking them not to overreact, and advising them they should continue to work and report for work as usual and that operations at the Mine will continue as normal. A copy of this communication is attached as **Exhibit “C”**.

16. The Debtors also communicated with key governmental authorities regarding the CCAA proceedings, including federal agencies, the Government of Nunavut and the Qikiqtani Inuit Association, among others. Following these communications, the Premier of Nunavut and the Community Services Minister for Nunavut issued a joint statement which confirmed that the government of Nunavut wants to see the Mine continue to operate well into the future. A copy of this statement is attached as **Exhibit “D”**.

17. Individual targeted communications were also sent to the Debtors’ suppliers regarding the CCAA Proceedings. These written communications explained the nature of the Initial Order and the CCAA Proceedings, the role of the Monitor, as well as the immediate implications of the Initial Order for each stakeholder group. The Debtors, with the assistance of the Monitor, continue to be in regular contact with their suppliers and do not currently anticipate any material disruption in supply.

18. These suppliers include the issuing banks under the Debtors’ outstanding letters of credit – CIBC, Bank of Montreal and Bank of Nova Scotia (the **“LC Issuers”**). As described in my Initial Affidavit, the Debtors have approximately C\$150 million in aggregate obligations outstanding under 19 letters of credit. The beneficiaries of the letters of credit are the Qikiqtani Inuit Association (the **“QIA”**), the Minister of Northern Affairs and Northern Development Canada, and the Department of Fisheries and Oceans. The majority of the letters of credit serve as financial assurance required under the Debtors’ commercial lease with the QIA and their water licence,

intended to fund environmental remediation costs in the event the Debtors abandon the Mine or Milne Inlet.

19. The Debtors and the Monitor have been actively engaged with the LC Issuers on the continued availability of the letters of credit during these CCAA proceedings.

20. While my Initial Affidavit stated that the Debtors intended to seek a Critical Supplier Charge at the Comeback Hearing, given the positive responses the Debtors have received from suppliers to date and their engagement with the LC Issuers, such charge is not necessary at this time. If the Debtors believe a Critical Supplier Charge (or other authorizations with respect to supplier payments) has become necessary at a later date, they will return to Court at such time.

21. Notwithstanding the extensive stakeholder engagement undertaken by the Debtors on the date of the Initial Filing and thereafter, a number of stakeholders only began to engage with the Debtors on the Tuesday after the Victoria Day long weekend. The Debtors accordingly took the time necessary to provide meaningful responses to these stakeholders' inquiries prior to filing their materials on this motion to ensure the appropriate scope of relief was being sought.

22. The steps described above were taken to keep the Debtors' operations at the Mine and Milne Port running in the ordinary course. To date, there has been minimal disruption to those operations.

**(ii) Monitor Activity**

23. I am informed by the Monitor that, in accordance with the Initial Order, the Monitor has:

- (a) established a website at <http://cfcanada.fticonsulting.com/baffinland/> (the "**Monitor's Website**") on which updates on the CCAA Proceedings will be posted periodically, together with all Court materials filed in the CCAA Proceedings;

- (b) established a dedicated email address (baffinland@fticonsulting.com) and telephone hotlines (416-649-8054 or 1-833-441-6574) in order to allow stakeholders to communicate directly with the Monitor to address any questions or concerns they may have in respect of the CCAA Proceedings;
- (c) on May 15, 2026, posted the Initial Order and the Debtors' initial application materials on the Monitor's Website; and
- (d) arranged for publication of a notice in the Globe and Mail (National Edition) containing the information prescribed under the CCAA.

**(iii) Offtake Agreements**

24. As described in my Initial Affidavit, under Offtake Agreements entered into with IRH, iron ore is transported from the Mine to Milne Port and deposited onto a stockpile. IRH purchases the iron ore from Baffinland and resells it to end customers, providing Baffinland with operating cash flow. Title to the iron ore transfers to IRH upon deposit on the stockpile. Due to the potential time the iron ore may spend on the stockpile prior to its sale, the arrangements include certain true-up payments under a mark-to-market mechanism.

25. Following the issuance of the Initial Order, IRH requested additional information from the Debtors and the Monitor regarding the ongoing treatment of the Offtake Agreements, which are further described in my Initial Affidavit.

26. In consultation with the Monitor, the Debtors confirmed to IRH that they expect operations at the Mine and Milne Port to continue without disruption and that they currently intend to continue performing their obligations under the Offtake Agreements in the ordinary course.

27. The Debtors invoiced IRH on May 19, 2026 for iron ore placed on the Milne Port stockpile for the first half of May. The Debtors have no reason to believe that IRH will not pay the amount outstanding pursuant to such invoice.

**(iv) Fuel Arrangements**

28. As described in my Initial Affidavit, the Mine's operations depend on arctic diesel and jet fuel, which can only be delivered by sea during the annual shipping window from mid-July to mid-October. Securing fuel supply arrangements requires lead time because the fuel provider must source the underlying volumes and vessels well in advance of the first shipment in July. As discussed in my Initial Affidavit, one of the purposes of the CCAA filing was to stabilize the Debtors' operations and provide them with the opportunity to negotiate their fuel supply on acceptable terms.

29. Both before and after the date of the Initial Order, the Debtors have been actively engaging with potential counterparties to secure committed fuel volumes. Prior to the Filing Date, initial offers required the Debtors to make a material cash deposit to secure supply. Following the issuance of the Initial Order, counterparties withdrew that deposit requirement. On May 18, 2026, the Debtors issued a request for final proposals.

30. As at the date of this Affidavit, the Debtors have not entered into any fuel supply contract but continue to negotiate terms. In any event, no near-term payments will be required under the arrangements being negotiated. The first payment for fuel will not be payable until July 2026, when shipment occurs, and it is contemplated that such payment will be funded from advances under a debtor-in-possession ("**DIP**") credit facility following completion of the DIP Solicitation Process (defined below).

(v) **DIP Solicitation Process**

31. As discussed in my Initial Affidavit, the Debtors' cash flow forecast demonstrates that interim financing is required for the Debtors to continue operations during these CCAA Proceedings. While the Debtors remain confident that payments under the IRH Offtake Agreements will continue in the ordinary course, those payments are insufficient to fund all expenditures required for the upcoming sea lift season (including fuel expenses) or to complete any value-maximizing transaction, including the Strategic Process.

32. To address the Debtors' anticipated liquidity needs, FTI commenced a competitive DIP solicitation process on behalf of the Debtors (the "**DIP Solicitation Process**").

33. Interested parties were initially instructed to submit term sheets by no later than 5:00 p.m. on May 20, 2026. Given the significant interest expressed by prospective lenders, the Monitor, in consultation with the Debtors, extended the submission deadline to 5:00 p.m. on May 25, 2026, to afford parties additional time to prepare their best proposals.

34. In view of the foregoing, the Debtors determined that a more fair and competitive process would be achieved by seeking approval of a DIP facility after the Comeback Hearing on or about the first week of June. I understand that the cash flow forecasts filed with the Monitor's report in connection with this motion will demonstrate, subject to the assumptions contained therein, that the Debtors have sufficient liquidity through June 5, 2026. The major expenditures associated with the Debtors' sea lift season will be payable in late June and early July.

**C. AMENDED AND RESTATED INITIAL ORDER****(i) Extending the Stay**

35. The Initial Order granted a stay of proceedings until May 25, 2026. The Applicants are seeking this Court's approval to extend the Stay until June 5, 2026. The extension of the Stay is necessary and appropriate in the circumstances. The length of the Stay extension contemplates the time required to complete the DIP Solicitation Process, procure the supplies and fuel needed for the upcoming sea-lift season, continue to stabilize operations and allow the Debtors to continue to engage with their stakeholders, including Inuit stakeholders, suppliers and communities who are economically reliant on the Debtors' business operations.

36. I am of the view that the Debtors have acted, and continue to act, in good faith and with due diligence in these CCAA Proceedings since the Filing Date.

37. I understand that the cash flow forecasts to be filed with the Monitor's report in connection with this motion will demonstrate, subject to the assumptions contained therein, that the Debtors have access to sufficient liquidity to fund their operations during the extended Stay. Accordingly, creditors of the Debtors will not be materially prejudiced by the proposed extension of the Stay.

**(ii) Increase to the Administration Charge**

38. The Initial Order granted a first priority Administration Charge in the amount of \$2 million. The quantum of the Administration Charge was intended to reflect the fees and disbursements to be incurred by the Debtors' counsel, the Monitor and Monitor's counsel up to the date of the Comeback Hearing. The Debtors now seek to increase the Administration Charge to \$5 million.

39. As described in my Initial Affidavit, the ability of the Debtors to rely on their counsel, the Monitor and the Monitor's counsel is crucial in these CCAA Proceedings as the Debtors

implement the DIP Solicitation Process and the Strategic Process and engage with their stakeholders in pursuit of a transaction that will preserve the Debtors' business as a going concern.

40. The Debtors determined the quantum of the increased Administration Charge with the assistance of the Monitor and believe it to be reasonable. Such quantum is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge for the duration of the proposed extended Stay and includes an estimate of the fees and disbursements which will be incurred to engage local counsel in Nunavut.

41. Notice of the proposed ARIO and the increase to the Administration Charge has been given to:

- (a) the Debtors' secured creditors, being
  - (i) holders of senior secured notes due 2026; and
  - (ii) Opps XII BLIM Holdings, L.P., an entity affiliated with Oaktree Capital Management LP, and Hartree Partners, LP under a loan and letter of credit facility; and
  - (iii) Export Development Canada under a term loan facility; and
- (b) the parties with security registrations against the Debtors as described in my Initial Affidavit, namely the following parties listed in the PPSA Search Summaries attached as Exhibits "M" to "Q" thereto:

Party	Details
Caterpillar Financial Services Limited and Caterpillar Financial Services Leasing ULC	Registrations made in connection with a master lease between Baffinland and Caterpillar dated September 13, 2019, pursuant to which Baffinland leases mining equipment from time to time.  These equipment leases were paid off in April 2026.
Macquarie Equipment Finance Ltd	Registrations made in connection with a master lease between Baffinland and Macquarie dated September 5, 2024, pursuant to which Baffinland leases mining equipment from time to time.
IRH Global Trading Ltd.	Registrations made in connection with the offtake agreement between Baffinland and IRH dated January 30, 2025.
Glencore AG	Registration made in connection with the Purchase and Sale Agreement between Glencore and Baffinland dated June 5, 2020 (described below) regarding “unscreened lump” being mined and sold to Glencore, but left in the possession of Baffinland.
Wajax Limited	Registrations made in connection with certain motor vehicles collateral located in Ontario.
Bank of Nova Scotia; Canadian Imperial Bank of Commerce	Registrations made in connection with cash collateral held in accounts at these institutions.
De Lage Landen Financial Services Canada Inc.	Registration made in connection with certain office equipment for Oakville office.
AMMC Baffinland Holdco Inc.	This is a legacy registration. There are no debts outstanding to this party.
Epiroc Canada Inc. <sup>1</sup>	Registration made in connection with mining equipment.

**(iii) Increase to the D&O Charge**

42. The Initial Order approved a D&O Charge in the amount of \$14 million, which ranks second in priority to the Administration Charge. As stated in my Initial Affidavit, the quantum of the D&O

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<sup>1</sup> This secured party was inadvertently omitted from the summary table that appears in my Initial Affidavit but has been included in the service list in these proceedings.

Charge was limited to those indemnification obligations and liabilities that the Debtors expected their directors, members of the Operating Committee acting in the capacity as directors, and officers (collectively, the “**D&O Parties**”) could face from the date of the Initial Order until the Comeback Hearing. The Debtors now seek to increase the D&O Charge to \$20.4 million.

43. As described in my Initial Affidavit, the Debtors hold five separate director and officer insurance policies, each of which has a limit of liability of \$5 million. Due to certain contractual contingencies built into such policies, I do not believe that the Debtors’ existing director and officer insurance provides sufficient coverage against the potential liability that the D&O Parties could incur during these CCAA Proceedings.

44. The Debtors have agreed to indemnify the D&O Parties for all liabilities arising post-filing except due to their gross negligence or wilful misconduct. However, the Debtors do not have sufficient funds to satisfy those indemnities should the D&O Parties be found responsible for potential liabilities. Moreover, the Debtors were unable to obtain adequate additional indemnification insurance at a reasonable cost.

45. I have been advised that certain of the D&O Parties are likely to resign if the D&O Charge is not increased. These individuals possess critical institutional knowledge of the Debtors and their operations. In my view, their resignations would complicate these CCAA Proceedings and risk destroying value for stakeholders.

46. As a result, the Debtors seek to increase the quantum of the D&O Charge to \$20.4 million to protect the D&O Parties against obligations and liabilities they may incur during these CCAA Proceedings including: (a) wages, salaries and applicable withholdings; (b) accrued vacation pay; and (c) termination obligations in respect of all Nunavut employees, both active and inactive, calculated using their average weekly earnings.

47. This amount was determined to be to be reasonable and appropriate by the Monitor and includes an increase in the amount for wages and salaries resulting from the inclusion of a full payroll period and a week of arrears in the calculation, rather than only 10 days that was included in the calculation of the D&O Charge granted under the Initial Order, and approximately \$6.2 million for potential termination liabilities owed to individual employees in Nunavut. While the Debtors have no intention to terminate any employees in Nunavut, I am advised that under Nunavut law, termination obligations attract director liability.

48. Notice of the proposed ARIO and the increase to the D&O Charge has been given to all of the parties listed in paragraph 41 above.

49. The proposed ARIO also provides the Debtors with certain restructuring rights, which my counsel informs me are standard in CCAA proceedings, including to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding US\$1,000,000 in any one transaction or US\$5,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

50. These rights are substantially similar to this Court's model initial order and will be crucial in providing the Debtors with the flexibility to restructure certain of their affairs during these CCAA proceedings, if and when determined necessary.

**D. CONCLUSION**

51. For the reasons set out above, I believe that the relief requested on this motion is in the best interests of the Debtors and their stakeholders.

52. I swear this Affidavit in support of the within motion and for no other or improper purpose.

SWORN REMOTELY by Celeste van Tonder at the City of Oakville, in the Province of Ontario before me at the City of Toronto, in the Province of Ontario, on the 20<sup>th</sup> day of May, 2026 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

*Sean Monahan*

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**SEAN MONAHAN (LSO #87650U)**  
A Commissioner for Taking Affidavits in  
and for the Province of Ontario

*Celeste van Tonder*

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**CELESTE VAN TONDER**

This is Exhibit "A" referred to in the Affidavit of Celeste van Tonder sworn by Celeste van Tonder at the City of Oakville, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 20, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

*Sean Monahan*

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**SEAN MONAHAN**

LSO# 87650U

Court File No.: \_\_\_\_\_

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

**IN THE MATTER OF** the *Companies' Creditors Arrangement Act*, R.S.C. 1985,  
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.

Applicants

**AFFIDAVIT OF CELESTE VAN TONDER  
(Sworn May 14, 2026)**

I, Celeste van Tonder, of the City of Oakville, in the Province of Ontario, **MAKE**

**OATH AND SAY:**

1. I am the Vice President and Chief Financial Officer of Nunavut Iron Ore, Inc. ("**NIO**"), the Chief Financial Officer of 12334992 Canada Inc. ("**123 Canada Inc.**") and the Chief Financial Officer of Baffinland Iron Mines Corporation ("**BIM Corp.**"), which also acts as the general partner of Baffinland Iron Mines LP ("**BIM LP**", and together with the Applicants, the "**Debtors**"). I have held these positions since October 2, 2023. I have also been a director of 123 Canada Inc. and BIM Corp. since August 29, 2024.

2. I am familiar with the Debtors' day-to-day operations, business and financial affairs and I have been actively engaged in discussions and negotiations concerning their financial circumstances. As such, I have personal knowledge of the matters described in this Affidavit. Where I have relied on information from other sources, I have stated the source and verily believe such information to be true.

3. This Affidavit is sworn in support of an application by the Applicants for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

4. As part of their application, the Applicants seek an initial order (the "**Initial Order**"), among other things:

- (a) declaring that the Applicants are debtor companies to which the CCAA applies,
- (b) declaring that BIM LP shall be bound by, and entitled to the protections and benefits of, the Initial Order as though it were an Applicant;
- (c) granting a stay of proceedings against the Debtors for an initial period of not more than ten days, subject to further order of this Court;
- (d) appointing FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") as the court-appointed monitor of the Debtors;
- (e) authorizing the Debtors to continue using their existing cash management system;
- (f) granting the following charges against the property of the Debtors, in the following order of priority:
  - (i) first, an administration charge in the amount of \$2 million to secure the fees and disbursements of the Monitor, counsel to the Monitor, and counsel to the Debtors (the "**Administration Charge**");
  - (ii) second, a directors' and officers' charge in the amount of \$14 million to indemnify the directors and officers of the Debtors or any member of the Operating Committee (defined below) to the extent such member is or was directly or indirectly exercising the powers of the directors of any of the Debtors for any obligations and liabilities they may incur in their capacities

as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors during these proceedings (the “**D&O Charge**”); and

- (g) setting a date for a comeback hearing (the “**Comeback Hearing**”) to be held within ten days of the Initial Order.

5. At the Comeback Hearing, the Applicants intend to seek an amended and restated Initial Order (the “**ARIO**”), among other things:

- (a) extending the stay of proceedings against the Debtors;
- (b) approving a debtor-in-possession credit facility to finance the Debtors’ working capital requirements, general corporate purposes and post-filing expenses (the “**DIP Facility**”) and granting a charge against the property of the Debtors to secure the amounts borrowed under the DIP Facility (the “**DIP Charge**”);
- (c) increasing the amounts of the Administration Charge and D&O Charge as necessary;
- (d) approving a key employee retention plan (the “**KERP**”) and/or key employee incentive plan (“**KEIP**”) for certain employees and management of the Debtors;
- (e) granting a charge against the current and future property of the Debtors as security for amounts payable under the KERP (the “**KERP Charge**”);
- (f) declaring certain suppliers of the Debtors as critical suppliers (the “**Critical Suppliers**”) and granting a critical supplier charge against the current and future property of the Debtors as security for amounts payable to the Critical Suppliers; and

(g) granting such other relief as may be required.

6. All dollar amounts in this Affidavit are expressed in millions of United States dollars unless otherwise stated.

## OVERVIEW

7. The Debtors are a group of affiliated entities engaged in iron ore mining operations at the Mary River mine (the “**Mine**”), which is one of the highest-grade iron ore mines in the world and is located in the Qikiqtani Region of Nunavut on Baffin Island, Canada. The day-to-day mining operations are carried out by BIM LP, through its general partner BIM Corp. (collectively, “**Baffinland**”). Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people, including approximately 300 Inuit employees.

8. The Mine contains among the highest-grade iron ore deposits ever discovered, with historic average iron content mined in excess of 67%. Baffinland began mining operations at the Mine in 2014 and reached commercial production the following year.

9. The Debtors’ financial difficulties are the product of several converging factors: (a) high debt-servicing costs from substantial outstanding indebtedness; (b) significant capital expenditures and commitments incurred in connection with a proposed railway, which was ultimately rejected by the federal Minister of Northern Affairs; (c) constrained transportation and shipping limits imposed under existing regulatory approvals; and (d) the high operating costs associated with the current operations model.

10. Despite undertaking significant cost-reduction and efficiency measures, including reductions in working capital commitments, renegotiation of key supplier contracts, and a workforce reduction of more than 20% in 2024, the Debtors remain unable to generate sufficient revenue to service their outstanding debt obligations and cover their fixed operating costs at the

current transportation and shipping caps. Moreover, prospective investors have been reluctant to provide further equity capital, and the Debtors have been unable to refinance their existing indebtedness on acceptable terms. As a result, the Debtors are currently operating on a week-to-week basis from a cash-flow perspective.

11. For the year-ended December 31, 2025, Baffinland and 123 Canada Inc., on a consolidated basis, reported a net loss of \$102.4 million and their current liabilities exceeded their current assets by \$761 million. As described under the heading “Financial Statements” below, NIO, on a consolidated basis, reported a net loss of \$545.1 million for the year ended December 31, 2025. This figure includes a \$423 million goodwill impairment loss relating to the value of the Mine. Since NIO’s consolidated financial statements include a significant non-cash impairment charge, this Affidavit relies on the consolidated financial statements of Baffinland and 123 Canada Inc. to more accurately represent the Debtors’ financial position.

12. The Debtors are in breach of their senior secured credit facility, which has led to cross-defaults under their term credit facility, and their senior secured notes, which mature July 15, 2026. The Debtors also owe approximately \$87 million in past-due trade payables. The Debtors do not have sufficient liquidity to repay these obligations.

13. The Mine’s operations are entirely dependent on arctic diesel and jet fuel, which can only be delivered by sea during the annual shipping window of mid-July to mid-October. If adequate supply is not secured before the window closes, the Mine would be forced to curtail or shut down operations entirely. The current crisis in the Middle East has caused diesel prices to surge by approximately 50–70% since January 2026 and has created significant risk of physical supply shortages due to disruptions in global refining capacity and trade flows. Since seallift procurement requires lead time and global competition for fuel is intense, Baffinland must act promptly to

secure committed volumes and vessel capacity. The Debtors currently lack the liquidity to procure the fuel required.

14. In these circumstances, the Debtors require the protection of the CCAA to stabilize their operations, preserve the going-concern value of their business, secure debtor-in-possession financing and pursue a viable restructuring for the benefit of all stakeholders, including pursuing a sale and investment solicitation process. Absent such protection, the Debtors face the risk that creditors will take enforcement action, which would disrupt ongoing operations and diminish the value of their assets. Moreover, a disruption to the Mine would have far-reaching consequences, not only for creditors of the Debtors, but also for Inuit communities, Inuit businesses that provide services to the mine, the approximately 1,200 workers who depend on the continued operation of the mine and the broader Nunavut economy more generally.

15. The remainder of this Affidavit is presented in two parts: Part I sets out the Debtors' financial circumstances, including: (a) an overview of the corporate structure and governance of the Debtors; (b) a description of the Debtors' business and operations, including transportation and shipping constraints and impediments to expansion; (c) the financial position of the Debtors as reflected in their most recent financial statements; (d) the indebtedness of the Debtors, including their secured and unsecured debt obligations, contingent liabilities, and other material agreements; and (e) the source of the Debtors' financial difficulties, the cost-reduction measures undertaken to date, and the urgency of this application. Part II describes the relief sought by the Applicants under the Initial Order and at the Comeback Hearing. A table of contents is set out below.

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## PART I – THE DEBTORS’ FINANCIAL CIRCUMSTANCES

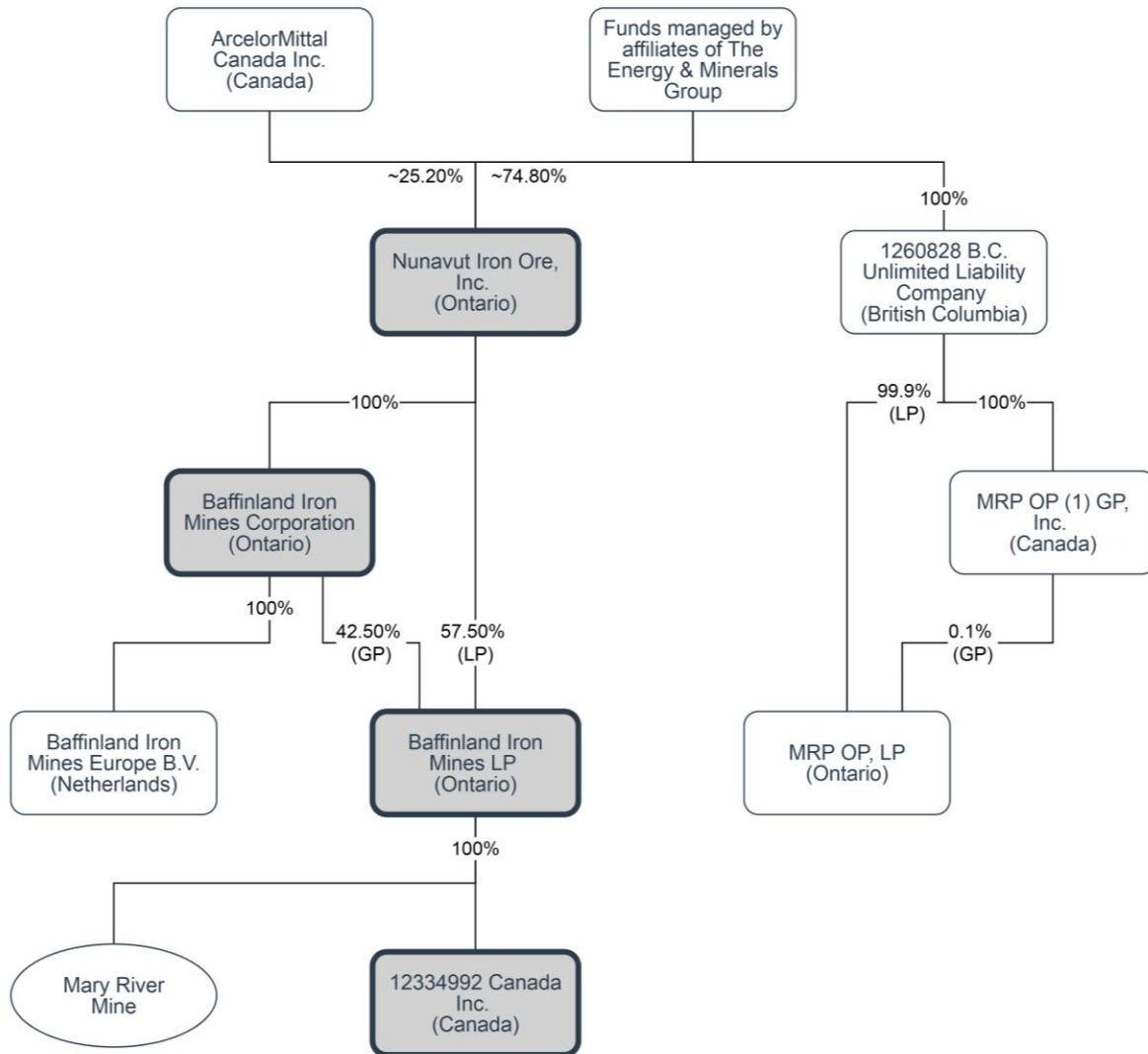
### A. OVERVIEW OF THE DEBTORS

#### (i) Corporate Structure

16. The Debtors are NIO, 123 Canada Inc., BIM Corp. and BIM LP, each of which is described in greater detail below.

17. The Debtors are private companies ultimately owned principally by two groups: (a) ArcelorMittal Canada Inc., an indirect subsidiary of ArcelorMittal S.A. (“**Arcelor**”), a global leader in steel and mining (~25.20%); and (b) funds managed by affiliates of The Energy & Minerals Group (“**EMG**”), a Texas-based private investment firm specializing in the energy and minerals sectors (~74.80%). A remaining minority of shareholders hold approximately 0.1% of the equity. As described more fully below, through a series of agreements, the decision-making authority of NIO and Baffinland has been delegated to an operating committee whose members are appointed by Arcelor and EMG.

18. The chart below is a high-level illustration of the corporate structure of the Debtors. The Debtors are highlighted in grey.



**(a) NIO**

19. NIO is a corporation incorporated under the *Business Corporations Act* (Ontario). Its registered office address is 2300 Yonge Street, Suite 1702, Toronto, Ontario. A corporate profile report for NIO as of April 1, 2026 is attached to this Affidavit as **Exhibit "A"**.

20. NIO is the sole shareholder of BIM Corp. and the sole limited partner of BIM LP. NIO's principal assets are its shares in BIM Corp. and its 57.5% limited partnership interests in BIM LP. As described below, NIO has provided a limited recourse guarantee of Baffinland's secured

indebtedness. NIO is also the issuer under the unsecured notes due 2029 (defined and described below as the 2029 Notes).

**(b) BIM Corp.**

21. BIM Corp. is a corporation incorporated under the *Business Corporations Act* (Ontario). Its registered or head office address is 360 Oakville Place Drive, Suite 300, Oakville, Ontario, and its northern headquarters is located at 611 Queen Elizabeth Way, Suite 101, Iqaluit, Nunavut. A corporate profile report for BIM Corp. as of April 1, 2026 is attached to this Affidavit as **Exhibit “B”**.

22. BIM Corp. is the sole general partner of BIM LP and holds a 42.5% interest in BIM LP. BIM Corp. carries on Baffinland’s business and operations in that capacity.

**(c) BIM LP**

23. BIM LP is a limited partnership formed under the *Limited Partnerships Act* (Ontario). Its principal place of business is 360 Oakville Place Drive, Suite 300, Oakville, Ontario L6H 6K8, although operations are also conducted from an office in Toronto, Ontario. A limited partnership profile report for BIM LP as of April 1, 2026 is attached to this Affidavit as **Exhibit “C”**.

24. Substantially all the Debtors’ assets, including the Mine, are beneficially owned by BIM LP. The operation of the Mine is carried out by BIM LP through BIM Corp. as its general partner.

**(d) 12334992 Canada Inc.**

25. 123 Canada Inc. is a corporation incorporated under the *Canada Business Corporations Act*. Its registered or head office address is 360 Oakville Place Drive, Suite 300, Oakville, Ontario. A corporate profile for 123 Canada Inc. as of April 1, 2026 is attached to this Affidavit as **Exhibit “D”**.

26. 123 Canada Inc. is a wholly owned subsidiary of BIM LP. It was created to hold certain prospective mining leases and mineral claims for precious metals and other minerals unrelated to Baffinland's iron ore operations. It is entirely dependent on Baffinland for funding and has no independent source of income to maintain these mineral claims. It does not have any employees.

**(ii) Corporate Governance**

27. NIO is subject to a unanimous shareholders agreement among NIO<sup>1</sup>, its shareholders Arcelor and EMG<sup>2</sup>, BIM Corp. and BIM LP. Under that agreement, all decision-making authority over NIO and Baffinland, whether exercised directly or indirectly, is vested in an operating committee (the "**Operating Committee**"). The Operating Committee is responsible for supervising the management of the business and affairs of NIO and is composed of appointees of EMG and Arcelor based on their respective equity ownership: EMG has appointed five members and Arcelor has appointed two members.

28. Baffinland is also party to a first amended and restated operating services agreement dated May 6, 2015, as amended by an amendment dated December 6, 2016 (the "**Operating Agreement**") with NIO, Arcelor, ArcelorMittal Mines Mary River Operating Inc., and MRP OP, LP (the "**EMG Operator**"). Under the Operating Agreement, Baffinland has delegated power and authority to the EMG Operator to manage the day-to-day operations of the Mine. Key members of the EMG Operator work from Baffinland's office in Toronto, Ontario. The Operating Agreement is attached as **Exhibit "E"** to this Affidavit.

29. The EMG Operator is entitled to a fee under the Operating Agreement equal to 2% of enumerated capital and operating costs incurred by Baffinland in any year. This fee has been

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<sup>1</sup> Formerly AM Baffinland ULC and Nunavut Iron Ore, Inc.

<sup>2</sup> The EMG shareholder includes funds managed by EMG, being EMG Iron Ore HC LLC, EMG Iron Ore Phase 3 (Q4 19) Holdings LLC, EMG Iron Ore Phase 3 Holdings LLC, EMG Iron Ore 2026 Equity, LLC.

waived by the EMG Operator until iron ore from the Mine is stockpiled for shipping or shipped at a rate of 12 metric tonnes per annum (“**Mtpa**”). Because Baffinland is currently restricted by its regulatory approvals to transporting and shipping no more than 4.2 Mtpa, no fees have been paid to date. Despite this waiver, NIO, EMG and Arcelor (who was formerly a joint operator with EMG) entered into a series of side letters under which distributions at the NIO level are allocated among Arcelor and EMG in consideration for the waiver. Additionally, the EMG Operator is reimbursed for certain expenses incurred in connection with its services, including employee compensation, and office expenses.

## **B. BAFFINLAND’S BUSINESS AND OPERATIONS**

### **(i) Overview**

30. Baffinland operates the Mine, which is one of the highest-grade iron ore mines in the world, and is located in the Qikiqtani Region of Nunavut on Baffin Island, Canada. Iron ore is primarily used to produce steel, which is essential for construction, transportation, energy infrastructure, and manufacturing purposes. Baffinland commenced mining operations at the Mine in 2014 and achieved commercial production in 2015.

31. The Mine contains some of the highest-grade iron ore deposits ever discovered, with historical average iron content mined exceeding 67%. Baffinland produces two high-grade low impurity iron ore products through a simple three-stage process of mining, crushing, and screening.

### **(ii) Operations and Logistics**

32. The Mine is located approximately 1,000 kilometres northwest of Iqaluit, the capital of Nunavut, and is one of the most northern mining operations in the world. The Mine is entirely self-contained. Employees are flown in for three-week rotations.

33. Baffinland's mining operations are centred on two main locations: the Mine site and a port at Milne Inlet, from where iron ore is shipped and is located approximately 100 kilometres to the northwest of the mine. The two sites are connected by a gravel road (the "**Tote Road**"), a route originally constructed in the 1960s and upgraded by Baffinland in 2007. All processed ore is trucked along the Tote Road to Milne Inlet, where it is stockpiled and loaded onto ocean-going vessels during the shipping season for shipment to customers, who are predominantly in Europe.

34. Baffinland's mining operations are functionally organized into five areas: (a) mining operations, (b) crushing operations, (c) ore hauling and materials handling (including port and shipping), (d) mobile maintenance, and (e) site services (including camp, power plant, and related support infrastructure). Management of these areas is based at the Mine and Milne Inlet sites, while certain administrative functions, such as finance, legal, corporate development, permitting, human resources, and procurement, are based out of offices in Oakville and Toronto, Ontario.

35. Milne Inlet currently serves as the sole export point for Baffinland's iron ore. Shipping is limited to the open-water season, which generally runs from mid-July to mid-October, depending on ice and weather conditions. Outside this window, the sea freezes over, making conventional vessel access impractical. Although iron ore production occurs year-round, current regulatory permits do not authorize year-round shipping through Milne Inlet, and the current operations are not equipped to support it.

36. To secure ongoing cash-flow, and mitigate the seasonality of shipping, Baffinland has entered into offtake agreements with IRH Global Trading Ltd. ("**IRH**"), described in greater detail below under the heading "Offtake Arrangements". Baffinland relies on IRH for nearly all of its cash-flow, as IRH purchases all iron ore stockpiled at Milne Port.

37. To accommodate the remote nature of Baffinland's operations, the Mine site infrastructure includes: an airport with a 1,983 metre gravel runway upgraded for certain jet aircraft; an 800-bed

hard-wall camp and 210-bed camp; 1.35 MW diesel generators (8.1 MW total) which provide electricity to the site; an explosives plant; a truck wash plant; full-service maintenance facilities and parts warehouses; and water and waste treatment plants. Physical infrastructure at the Milne Inlet port includes: a 120-bed camp; 1.35 MW diesel generators (9.5 MW total) which provide electricity to the site; ore dock and ship loading facilities; and a freight dock. Baffinland owns and maintains all site infrastructure.

### (iii) Production Capacity and Impediments to Expansion

38. Production from the Mine is currently constrained by regulatory approvals governing the volume of iron ore that can be transported to and shipped from Milne Inlet, as well as the number of vessels permitted to enter Milne Inlet.

39. Production capacity at the Mine is measured in millions of metric tonnes per annum (or Mtpa), which is a unit of measurement used to quantify the production or processing capacity of a mine, representing the total mass of ore that a mine is designed to produce or handle over the course of one year. The Mine currently produces 4.2 Mtpa of iron ore, though Baffinland has the capacity to produce in excess of this amount and it has always been its objective to build the infrastructure to support expanded production capacity.

40. The Mine was originally approved by the federal Minister of Northern Affairs and the Nunavut Impact Review Board on December 28, 2012. At that time, Baffinland envisioned constructing an approximately 150-kilometre railway from the mine south to a deep-water port at Steensby Inlet, which would allow year-round (or near year-round) shipping (the “**Steensby Railway**”). However, for regulatory and financial reasons, Baffinland was only able to ultimately transport 4.2 Mtpa of iron ore along the Tote Road and ship that same volume from Milne Inlet port, a capacity subsequently increased to 6 Mtpa between 2018 and 2024. That increased capacity has since expired, and Baffinland’s permitted volume has reverted to 4.2 Mtpa.

41. The map below displays the current transportation route from the Mine to the port at Milne Inlet along the Tote Road, and the proposed Steensby Railway.



42. In 2013, following a decline in iron ore prices and a shortage of investment capital, Baffinland pivoted from the Steensby Railway and port development project due to the estimated construction cost of approximately \$5.7 billion. The regulatory approvals for the Steensby Railway, however, remained intact.

43. In 2018, Baffinland sought approval to increase its production capacity by constructing a 110-kilometre railway running north, parallel to the Tote Road, to the port at Milne Inlet, which would increase the quantity of iron ore shipped through Milne Inlet to 12 Mtpa (the “**Milne Railway**”). The original estimated cost was \$910 million, substantially less than the Steensby Railway, and capital costs were intended to be funded from a combination of operating cash flows, additional equity contributions, and new debt.

44. After approximately four years of review (impacted, in part, by the COVID-19 pandemic), the Nunavut Impact Review Board recommended in May 2022 that the Milne Railway should not proceed, concluding that increased production and shipping activity in Milne Inlet could lead to negative effects on the marine environment, fish, caribou and other wildlife, and that these effects could impact Inuit harvesting, culture, land use, and food security. The federal Minister of Northern Affairs accepted this recommendation and rejected the proposal on November 16, 2022.

45. Following this rejection, Baffinland revived plans to finance and build the Steensby Railway project, which benefits from several layers of regulatory approval accumulated since 2012. Recent estimates suggest the cost of the Steensby Railway and port will be at least \$4 billion. Once completed, the Steensby Railway would enable production and shipping to increase to approximately 22 Mtpa and significantly reduce operating costs. Despite significant progress made on the financing for the Steensby Railway, Baffinland does not currently have sufficient capital committed to advance the project.

46. As described below under the heading “Source of Baffinland’s Financial Difficulties”, Baffinland’s constrained transportation and shipping capacity, together with the expenditures it incurred in pursuing the Milne Railway Proposal, have contributed to the Debtors’ deteriorating financial position.

#### **(iv) Regulatory Approval**

47. The principal regulatory instrument governing the Mine is Nunavut Impact Review Board Project Certificate No. 005, as amended by Amendment 005 dated November 17, 2023 (collectively, the “**Project Certificate**”), a copy of which is attached as **Exhibit “F”** to my Affidavit. It is under the Project Certificate that Baffinland has approval to transport 4.2 Mtpa of iron ore along the Tote Road and ship that same volume from Milne Inlet port.

48. The Project Certificate establishes the scope of Baffinland's permissible mining, transportation, and shipping activities, as well as the environmental and socio-economic obligations it must satisfy. It contains nearly 190 project-specific terms and conditions addressing matters such as environmental monitoring, marine shipping controls, dust management, wildlife protection, Inuit employment, community engagement, and adaptive management.

**(v) Marketing Agreements**

49. Baffinland sells its iron ore to customers in Europe, including its largest customer, ArcelorMittal Sourcing S.C.A., as well as thyssenkrupp Steel Europe AG, and Salzgitter Flachstahl GmbH. The high quality of the iron ore allows purchasers to feed the product directly into blast furnaces without treatment or other beneficiation.

50. Commercial sales contracts for the sale of iron ore express measurements in terms of wet metric tonnes ("**wmt**"), which measures total weight of the iron ore, including moisture, and dry metric tonnes ("**dmt**"), which represent weight after removing water, which is crucial for pricing dry content in commodities like iron ore.

51. Baffinland markets its iron ore through an internal marketing team which operates through a wholly-owned subsidiary, Baffinland Iron Mines Europe B.V., a Netherlands company. The internal marketing team manages customer contracts and all shipping and logistics related to iron ore sales.

52. Baffinland and NIO have a marketing agreement in place with Glencore AG ("**Glencore**"), dated December 9, 2020 (the "**Glencore Marketing Agreement**"), attached to my Affidavit as **Exhibit "G"**. The Glencore Marketing Agreement had an original term of 10 years, from January 1, 2021 to December 31, 2031, which term has been extended for an additional 2 years. The agreement covers all product shipped from the Milne Port, subject to an annual cap of 18 million

wmt of iron ore (excluding iron ore sales to Arcelor) and certain other exclusions. In exchange, Glencore receives a marketing fee equal to 2% of the price ultimately paid by end customers.

53. Baffinland is also party to a marketing agreement with Hartree Partners, LP ("**Hartree**") dated November 24, 2025 (the "**Hartree Marketing Agreement**"), attached to my Affidavit as **Exhibit "H"**. As described below, Hartree is a secured lender of Baffinland, and this agreement was entered into concurrently with the Credit Agreement (defined below). The Hartree Marketing Agreement has a five-year term, but is not yet in effect.<sup>3</sup>

54. Although Baffinland enters into sales agreements for iron ore with buyers, buyers do not pay Baffinland directly. Instead, Baffinland's sales agreements generally are assigned to IRH, and Baffinland generally receives payment for its iron ore through an offtake arrangement with IRH, as described below.

#### **(vi) Offtake Arrangement**

55. As described above, the Mine's remote location limits shipping to approximately three to four months per year, preventing Baffinland from relying solely on its sales agreements to end customers to generate year-round cash flow. To address this constraint, Baffinland has negotiated a bespoke offtake arrangement with IRH, which is currently Baffinland's primary source of operating cash-flow.

56. The IRH offtake arrangement operates as follows. Iron ore is transported on the Tote Road from the Mine to Milne Port and deposited onto a stockpile, at which point title transfers to IRH. IRH purchases the iron ore from Baffinland, as principal, for on-sale to end customers, and makes

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<sup>3</sup> It will commence on the earliest of: (a) January 1, 2029; (b) termination of the Glencore Marketing Agreement; and (c) the date on which 2 Mtpa of iron ore produced from the Mine is not subject to the Glencore Marketing Agreement.

a provisional payment equal to 85% of the market price based on established pricing indices. Payment occurs every fourteen days. Baffinland assigns sales contracts with end-customers, representing the majority of its throughput tonnage, to IRH pursuant to limited delegation and assignment agreements. Payments upon delivery of product to end customers for such assigned contracts are made by the end customers to IRH. For all other sales contracts, Baffinland re-purchases the product from IRH prior to delivery and sale to end customers.

57. IRH is entitled to a stocking charge, which is based upon the “Secured Overnight Financing Rate”, together with a premium reflecting the cost of funds, on the sales amounts for product at various stockpiles, from the time of purchase to the time of receipt of payments from end customers or Baffinland (in respect of re-purchased product).

58. The offtake arrangement also contains several guardrails to manage pricing risk. Because of the potentially significant duration between when IRH purchases iron ore and when it is on-sold, IRH and Baffinland mark-to-market the provisional payments in respect of stockpiled iron ore twice per month. Under the mark-to-market mechanism, if the price of iron ore increases, IRH makes a top-up payment to Baffinland; if the price decreases, Baffinland makes a payment to IRH. The parties have entered into a payment and netting agreement to net the mark-to-market payments against those for fresh haulage. IRH is not required to pay provisional invoices if its exposure (i.e., iron ore that it has purchased but for which it has not received payment) would exceed \$350 million. A mechanism for hedging the iron ore deliveries also exists within the arrangement whereby BIM and IRH can fix the floating component of the iron ore price on an *ad hoc* basis for part or all of the total quantity.

59. Baffinland administers all transport of the iron ore in bulk carriers (excluding free on board sales) from Milne Inlet port to destination ports predominantly located in Europe through long term

and annual contract of affreightment arrangements consistent with Arctic ice and Canadian and International marine shipping requirements.

60. The offtake arrangements are entered into annually and the current term expires on October 31, 2026. At the end of each term, IRH can require Baffinland to repurchase any remaining ore on the stockpile.

61. The offtake arrangements are reflected in a series of agreements (collectively, the **“Offtake Agreements”**). Each agreement is described below:

- (a) Committed offtake sales contract effective November 1, 2025 (and amended on February 17, 2026) between Baffinland and IRH – the main sales contract pursuant to which IRH purchases ore from Baffinland;
- (b) Shipping services agreement effective November 1, 2025 between Baffinland and IRH – the contract pursuant to which Baffinland arranges for shipping of iron ore owned by IRH to buyers;
- (c) Payment and netting agreement effective November 1, 2025 between Baffinland and IRH (and amended on February 17, 2026) – the agreement pursuant to which payments between Baffinland and IRH are netted;
- (d) Repurchase agreement in respect of iron ore effective November 1, 2025 between Baffinland and IRH – the agreement pursuant to which Baffinland will repurchase iron ore at the end of the term that is not subject to a purchase agreement between IRH and a buyer;
- (e) Fixed Price Addendum effective November 1, 2025 (and amended on February 17, 2026) between Baffinland and IRH – the agreement pursuant to which

Baffinland is able to hedge the floating price component of its iron ore deliveries to IRH; and

- (f) Various Assignment Agreements between Baffinland and IRH relating to the assignment, from Baffinland to IRH, of delivery obligations and rights to receive payments.

**(vii) Fuel Supply and Fuel Agreements**

62. Baffinland purchases its entire annual fuel supply during the July-to-October shipping season, which is the only period when sea ice retreats sufficiently to permit vessel passage to the mine site. Sealift is the sole practical means of transporting bulk commodities such as fuel to Nunavut. All arctic diesel required to power the Mine's heavy equipment, generators, heating systems, and vehicles for the full year must be delivered during this window and stockpiled on-site. If Baffinland does not receive its full annual fuel allotment during the shipping season, there is no viable fallback. Air freight is the only alternative and is economically prohibitive for bulk fuel volumes. A fuel shortfall does not merely raise costs — it can force a partial or complete shutdown of mining operations, with cascading consequences for production, revenue, and employment.

63. On November 24, 2025, BIM LP entered into a Right to Supply Fuel and Advisory Services Agreement (the "**Fuel Supply Agreement**") with Hartree and Kildair Services ULC ("**Kildair**"), an entity indirectly controlled by Hartree Partners GP, LLC, in connection with the refinancing of the Credit Facility described below. A copy of the Fuel Supply Agreement is attached as **Exhibit "I"** to my Affidavit.

64. Under the Fuel Supply Agreement, Kildair has both a right of first refusal and a right of last offer to supply all fuel required by Baffinland for its operations at the Mine at prevailing market prices. The term runs for the longer of (a) five years from February 15, 2026, or (b) until Baffinland

has offered to purchase an aggregate of 300 million litres of fuel from Kildair. Prior to entering into the Fuel Supply Agreement, Baffinland acquired its fuel through a fuel logistics company called World Fuel Services.

65. Hartree is entitled to an advisory fee equal to 2% of the fully loaded cost of all fuel purchased for the Mine (excluding taxes and financing costs), plus 50% of any cost savings relative to the 2025 fuel price index, subject to certain adjustments. The fee is subject to guaranteed minimums of \$1.75 million per year and \$15 million in aggregate over the term of the Fuel Supply Agreement.

66. Baffinland's fuel supply challenge is amplified by the ongoing crisis in the Middle East, which has disrupted oil supply and increased prices for the fuel that Baffinland requires. Baffinland does not have sufficient funds to finance its fuel needs, particularly given that prevailing market prices have surged 50–70% or more since January 2026.

### **(viii) Access and Mining Rights**

67. Baffinland's operations are located on both Crown land and Inuit-owned land, requiring approvals from both the Government of Canada and relevant Inuit organizations. Baffinland's Crown land and Inuit land rights are summarized below.

68. Access to Inuit-owned land is coordinated through the Qikiqtani Inuit Association, located in Iqaluit. On September 6, 2013, the Qikiqtani Inuit Association (as landlord) and BIM Corp. (as tenant) entered into Commercial Lease for Inuit Owned Lands No. Q13C301, which has a 30-year term expiring on December 31, 2043, with options to extend for additional 30-year periods subject to meeting specified conditions. The leased area encompasses the vast majority of the current Mine operations, including the mine site, Milne Port, and most of the Tote Road.

69. Baffinland and 123 Canada Inc.'s mining rights cover approximately 352,937 hectares, comprising (collectively, the "**Mining Rights**"):

- (a) *Mining Leases*: Mining leases provide the right to extract and produce minerals commercially. Baffinland holds 44 mining leases and 123 Canada Inc. holds 23 mining leases, covering approximately 57,788 hectares in total. These leases were granted by the Government of Canada under the *Nunavut Mining Regulations*. Each lease has a 21-year term.
- (b) *Mineral Claims*: Mineral claims provide the right to explore for minerals in a defined area. Baffinland holds 156 mineral claims and 123 Canada Inc. holds 42 mineral claims covering approximately 262,012 hectares in total. These claims are recorded under the *Nunavut Mining Regulations* and have 30-year terms.
- (c) *Exploration Agreements*: Pursuant to three mineral exploration agreements with Nunavut Tunngavik Inc., Baffinland has a contractual right to progressively acquire a 100% interest in three designated exploration areas totalling 33,137 hectares by meeting certain expenditure and payment requirements. These agreements have 20-year terms.

70. Baffinland is also party to Land Lease 47H/16-1-2, dated July 1, 2014 with the Crown as landlord, as amended by lease amendment 47H/16-1-5. The lease expires on June 30, 2035 and grants Baffinland access to the foreshore lands at Milne Port for the construction, operation, maintenance, and reclamation of the ore dock. The ore dock is used to load iron ore onto large freighters for shipping.

**(ix) Benefits Agreement**

71. The Qikiqtani Inuit Association are responsible for negotiating and entering into impact and benefit agreements with major project proponents on behalf of Nunavut Inuit in the Qikiqtani region. BIM Corp. and the Qikiqtani Inuit Association signed an Inuit impact and benefits agreement (the “**Benefits Agreement**”) on September 6, 2013 (subsequently amended, with the current version dated October 22, 2018). The underlying principle of the Benefits Agreement is mutual benefit, collaboration, and consultation for both Inuit and Baffinland from the Mine.

72. The Benefits Agreement addresses both the impacts on Inuit and the benefits and opportunities flowing from the Mine. Its key provisions cover financial participation, including quarterly royalties of at least C\$1.25 million, as well as Inuit priority employment, education and training, contracting opportunities for Inuit firms, joint governance through an Executive Committee and Management Committee,<sup>4</sup> and additional matters such as wildlife compensation, shipping, cultural awareness, and dispute resolution. The Debtors intend to continue paying amounts owing under the Benefits Agreement during the course of the CCAA proceeding, if the Initial Order is granted.

**(x) Royalty Agreements**

73. Baffinland is party to two royalty agreements with shareholders of NIO (or their affiliates), pursuant to which Baffinland granted interests in the Mine in exchange for funding contributions (collectively, the “**Royalty Agreements**”). Copies of the Royalty Agreements are attached to my Affidavit as **Exhibit “J”** and **Exhibit “K”**. The Royalty Agreements have been registered on title to the Mining Rights held by Baffinland.

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<sup>4</sup> These committees do not make operational decisions for Baffinland but are instead focused on overseeing and implementing the Benefits Agreement.

74. The first Royalty Agreement was entered into on March 25, 2024 with 15877580 Canada Inc. (an affiliate of EMG), ArcelorMittal Canada Inc., 15877563 Canada Inc., and 15877482 Canada Inc., pursuant to which Baffinland received aggregate funding of \$100 million. The second was entered into on December 23, 2024 with 16572367 Canada Inc. (an affiliate of EMG), 15877563 Canada Inc., and 15877482 Canada Inc. pursuant to which Baffinland received aggregate funding of \$200 million. Under both Royalty Agreements, Baffinland is obligated to pay a royalty of \$0.50 per dmt of iron ore shipped from Milne Inlet, payable quarterly. If the Steensby Railway is completed, the royalty will also apply at the same rate to product shipped from Steensby port and include a royalty in the amount of (a) 3.125% of freight on board revenue under the first Royalty Agreement and (b) 1.875% of freight on board revenue under the second Royalty Agreement upon the substantial completion of the Steensby port. As noted above, production is projected to increase to 22 million tonnes per annum upon completion of the Steensby Railway. In addition, both Royalty Agreements include repurchase rights that allow Baffinland to repurchase a portion of the royalties provided certain milestones are met, which milestones differ between the Royalty Agreements but include milestones regarding completion of the Steensby Railway and certain shipping thresholds being met for consecutive days.

75. Under the terms of its Credit Facility (defined and described below), Baffinland is prohibited from making payments under the Royalty Agreements. The amount of C\$3.1 million has accrued under the Royalty Agreements to date.

**(xi) Employees**

76. Baffinland employs approximately 1,200 people, including approximately 300 Inuit employees, making it the largest private sector employer in Nunavut. Of these employees, approximately 370 are salaried and 830 are hourly unionized employees represented by the International Union of Operating Engineers, Local 793. Approximately 1,088 employees are

based at the Mine and 112 are based at Baffinland's head office in Oakville, Ontario. The legal entity that employs these employees is BIM LP.

77. Baffinland's workforce is comprised of skilled workers from southern Canada and workers from nearby localities in Nunavut. The company's Nunavut mining operations are conducted on a fly-in/fly-out basis, which is standard for northern Canadian mining operations. Employees at the Mine work 12-hour shifts on a 21-day-on/21-day-off rotation. The workforce typically peaks during the summer shipping season, from approximately mid-July to mid-October, when port and reclaim operations are fully staffed, and decreases by approximately 50 to 60 personnel during the remainder of the year. Staffing levels at the Oakville office generally remain constant year-round.

78. Certain of Baffinland's employees participate in a long-term incentive program (the "LTIP"), which is designed to attract and retain senior management personnel and to motivate their continued efforts by providing long-term incentive compensation. Under the LTIP, Baffinland's compensation committee grants participants "Restricted Retention Awards," which are cash awards (not equity) calculated as a percentage of the participant's salary and denominated at a fixed dollar amount.

79. Each award vests in three instalments: one-third on the first anniversary of the grant date, one-third on the second anniversary, and the final third on the first day of December following the second anniversary. The compensation committee retains discretion to accelerate vesting. Payment is made in cash within 30 days of each vesting date, provided that the employee remains actively employed on the applicable payment date. The amounts payable under the LTIP forms part of the compensation payable to the employees who participate in the plan. Accordingly, the Debtors intend to continue making payments under the LTIP during the course of the CCAA proceedings, if the Initial Order is granted.

80. Baffinland's employees also participate in a short-term incentive plan (the "**STIP**"), intended to reward employees for their performance and contributions each year. An employee's potential payment is based on an assigned STIP target, expressed as a percentage of base salary, and the final amount is determined by performance across three weighted components: (a) Baffinland's performance, (b) individual performance, and (c) leadership competencies. Payments are made as a lump sum bonus and are calculated on base salary only although some payments may also be pro-rated for employees who do not work the full plan period or who change roles during the year. Employees must be actively employed at the time of payment, and employees who are no longer actively employed or who receive a rating of 1 in either individual performance or leadership competencies are not eligible to receive a STIP payment. The amounts payable under the STIP forms part of the compensation payable to the employees who participate in the plan. Accordingly, the Debtors intend to continue making payments under the STIP during the course of the CCAA proceedings, if the Initial Order is granted.

**(xii) Cash Management System**

81. The Debtors use a cash management system (the "**Cash Management System**") to collect, transfer and disburse funds generated by their operations.

82. The Debtors maintain bank accounts with Toronto-Dominion Bank ("**TD Bank**"), the Bank of Nova Scotia ("**BNS**"), and the Canadian Imperial Bank of Commerce ("**CIBC**").

83. An overview of the Debtors' principal banking relationships is as follows:

- (a) TD Bank accounts, which serve as the primary operating accounts for BIM LP and BIM Corp. BIM LP maintains six TD Bank accounts and BIM Corp. maintains three TD Bank accounts at 55 King Street West, Toronto, Ontario. These accounts are used to collect revenue from iron ore sales, fund operational expenditures related

to the Mine, and manage intercompany transfers. NIO also maintains two bank accounts at TD Bank. NIO's bank accounts are predominantly to manage NIO's working capital needs and other costs incurred by NIO in carrying out its duties as they relate to Baffinland.

- (b) BNS accounts, which hold cash collateral securing certain letters of credit. BIM LP maintains one account and BIM Corp. maintains one account with BNS at 4715 Tahoe Blvd., 3rd Floor, Mississauga, Ontario; and
- (c) A CIBC account, maintained by BIM Corp. at Commerce Court, 199 Bay Street, Toronto, Ontario, which holds cash collateral securing certain letters of credit. The letters of credit are described below under "Letters of Credit".

84. 123 Canada Inc. does not maintain its own separate bank account. Any payments specific to 123 Canada Inc. are funded by BIM LP, and a corresponding intercompany payable and receivable is recorded.

## **C. THE FINANCIAL POSITION OF THE DEBTORS**

### **(i) Financial Statements**

85. The Debtors' most recent audited consolidated financial statements, for the year ended December 31, 2025, are attached as **Exhibit "L"** to this Affidavit. NIO, on a consolidated basis, reported a net loss of \$545.1 million for that period. This figure, however, includes a \$423 million goodwill impairment loss relating to the value of the Mine. Since NIO's consolidated financial statements include a significant non-cash impairment charge, Baffinland's and 123 Canada Inc.'s consolidated financial statements more accurately represent the Debtors' operating financial position and are therefore used for the purposes of this Affidavit. These financial statements are summarized below.

**(a) Assets**

86. As at December 31, 2025, Baffinland and 123 Canada Inc.'s total assets, on a consolidated basis, were \$2,685.9 million and consisted of the following:

	December 31, 2025 (\$ in millions)
<b>Current Assets</b>	
Cash	\$7.6
Restricted cash & cash equivalents	\$4.6
Short-term investments	\$3.9
Trade and other receivables	\$77.4
Inventories	\$363.0
Prepaid and other expenses and deferred financing costs	\$15.5
<b>Total Current Assets</b>	<b>\$472.0</b>
<b>Non-Current Assets</b>	
Restricted cash & cash equivalents	\$3.3
Mining interests	\$725.3
Exploration and evaluation assets	\$59.0
Property, plant and equipment	\$1,301.1
Other assets	\$42.0
Long-term ore inventory	\$27.3
Goodwill	\$55.9
<b>Total Assets</b>	<b>\$2,685.9</b>

**(b) Liabilities**

87. As at December 31, 2025, Baffinland and 123 Canada Inc.'s total liabilities, on a consolidated basis, were \$1,460.6 million, and consisted of the following:

	December 31, 2025 (\$ in millions)
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	\$229.9
Deferred revenue	\$223.6
Debt	\$775.5
Lease liabilities	\$3.7
Rehabilitation provision	\$0.3
<b>Total Current Liabilities</b>	<b>\$1,233.0</b>
<b>Non-Current Liabilities</b>	

	December 31, 2025 (\$ in millions)
Debt	\$ -
Lease liabilities	\$7.6
Rehabilitation provision	\$76.7
Deferred gain on partial disposition of mining interest	\$74.4
Deferred tax liabilities	\$68.9
<b>Total Liabilities</b>	<b>\$1,460.6</b>

88. For the year ended December 31, 2025, Baffinland and 123 Canada Inc. reported a net loss of \$102.4 million, with current liabilities exceeding current assets by \$761 million, primarily as a result of long-term secured debt coming due and being reclassified as a current liability.

#### **D. INDEBTEDNESS OF THE DEBTORS**

##### **(i) Secured Obligations**

89. Baffinland's secured debt totals approximately \$777 million in the aggregate principal amount. This debt is primarily owing to (a) holders of senior secured notes due 2026, (b) Opps XII BLIM Holdings, L.P., an entity affiliated with Oaktree Capital Management LP ("**Oaktree**"), and Hartree under a loan and letter of credit facility, and (c) Export Development Canada ("**EDC**") under a term loan facility, each as described further below.

90. Copies of summaries of personal property security searches in Ontario and Nunavut in respect of each of the Debtors dated April 5, 2026 and April 3, 2026, respectively, are attached to my Affidavit as **Exhibits "M" to Exhibit "Q"** (collectively, the "**PPSA Search Summaries**"). There are no security registrations for NIO in Nunavut, and for 123 Canada Inc. in either Ontario or Nunavut.

91. The secured debt and its respective priority rankings on a distribution, pursuant to the Intercreditor Agreement (defined below) are summarized in the below chart and detailed further below:

	<b>Secured Debt</b>	<b>Total Principal Amount</b>
<i>First</i>	Oaktree and Hartree under the Credit Facility	\$126.5 million
<i>Second (pari passu with the Holders of the Senior Secured Notes due 2026)</i>	EDC	\$75 million
<i>Second (pari passu with EDC)</i>	Holders of Senior Secured Notes due 2026	\$575 million

**(a) 8.75% Senior Secured Notes Due 2026**

92. On June 27, 2018, Baffinland issued \$575 million aggregate principal amount of 8.75% senior secured notes due 2026 (the “**2026 Notes**”). Wilmington Trust, National Association is the trustee and collateral agent. \$25 million in interest on the 2026 Notes is payable on January 15 and July 15 of each year. The 2026 Notes mature July 15, 2026. Attached as **Exhibit “R”** to my Affidavit is the indenture in respect of the 2026 Notes. Pursuant to the Intercreditor Agreement (defined below), the 2026 Notes rank on a *pari passu* basis with the EDC Term Facility (defined below).

93. The 2026 Notes are senior secured obligations of Baffinland and, subject to certain limited exceptions, are secured by a charge over all the assets of Baffinland pursuant to a General Security and Pledge Agreement dated June 27, 2018. In addition, NIO has provided a limited recourse guarantee of Baffinland's obligations under the 2026 Notes, secured by a pledge of its interest in the shares of BIM Corp. and limited partnership units in BIM LP. The security documents provided by Baffinland and NIO in connection with the 2026 Notes are attached as **Exhibit “S”** to my Affidavit.

94. Baffinland is in default under the 2026 Notes as a result of a cross-default that has occurred under the Credit Facility, which is described below.

**(b) Credit Facility**

95. On May 26, 2017, Baffinland entered into a revolving credit facility with a syndicate of institutional bank lenders (the “**Credit Facility**”). The Credit Facility initially established a \$45 million facility to support working capital management, including the issuance of letters of credit.

96. The credit agreement in respect of the Credit Facility was subsequently amended six times. Pursuant to the most recent amendment, dated November 24, 2025, the Credit Facility was assigned to Oaktree and Hartree and the following material changes were made: (a) all outstanding revolving borrowings, totalling \$126.5 million, were converted into a term loan and the revolving commitments were permanently terminated; (b) outstanding letters of credit with an aggregate face amount of C\$40.1 million were extended to October 21, 2026; (c) additional letters of credit with an aggregate face amount of C\$35.1 million were issued; and (d) the interest rate was increased from adjusted term SOFR plus 5.50% to adjusted term SOFR plus 16.75% for SOFR Loans (with 7% to be deferred), and the default interest rate was increased from 2% to 5%. In connection with the amendment to the Credit Facility, Baffinland also entered into a fuel supply and advisory services agreement, and a marketing services agreement, with Hartree, both as described above. The Credit Agreement, as amended, is attached to my Affidavit as **Exhibit “T”**.

97. The Credit Facility bears interest at an indexed rate plus 15.75% or 16.75%, depending on the loan. As at March 31, 2026, the effective interest rate was 20.52%, comprising 13.52% payable in cash and 7% deferred.

98. There are no further borrowings available under the Credit Facility. Baffinland pays approximately \$2.5 million per month in interest under the Credit Facility comprised of approximately \$1.3 million to \$1.7 million payable in cash with approximately \$0.7 million to \$0.9 million deferred.

99. The obligations under the Credit Facility are secured by, among other things:
- (a) a General Security and Pledge Agreement dated May 26, 2017 between Baffinland, as borrowers, and the collateral agent, pursuant to which the borrowers granted a security interest, subject to limited exceptions, in all of their present and after-acquired personal property;
  - (b) a Debenture dated May 26, 2017 granted by Baffinland in favour of the collateral agent, which grants (i) a first fixed and specific mortgage and charge on Baffinland's mineral rights, and (ii) a first floating mortgage, charge and security interest in all of Baffinland's other mineral properties and collateral;
  - (c) a Leasehold Mortgage Agreement dated May 26, 2017 granted by Baffinland in respect of its leasehold interests in Nunavut; and
  - (d) various other security documents, including issuer control agreements and a confirmation of security interest in trademark applications.
100. In addition, NIO has provided a limited recourse guarantee of those obligations, secured by a pledge of its interest in the shares of BIM Corp. and limited partnership units in BIM LP. The security documents provided by Baffinland and NIO in connection with the Credit Agreement are attached as **Exhibit "U"** to my Affidavit and grant Oaktree and Hartree a first-ranking security interest in the assets of Baffinland.
101. The Credit Facility had an original maturity date of May 31, 2027. However, as a result of Baffinland's failure to pay down the 2026 Notes by March 31, 2026, the maturity date was automatically accelerated to June 30, 2026.

102. Baffinland is currently in default under the Credit Facility as a result of its failure to receive an equity contribution or asset sale proceeds of at least \$75 million on or before February 28, 2026. On March 16, 2026, Baffinland, Oaktree, Hartree, and Alter Domus (US) LLC, in its capacity as administrative agent under the Credit Facility, entered into a limited waiver of this default and waived the acceleration of the maturity date. That waiver was subsequently extended by “Limited Waiver No. 2” through May 31, 2026, subject to certain conditions, a copy of which is attached to my Affidavit as **Exhibit “V”**.

103. The waiver required Baffinland to launch a recapitalization offer to recapitalize the 2026 Notes by April 30, 2026. The recapitalization transaction was not completed by this deadline. As a result, the Limited Waiver No. 2 expired, the previously waived defaults under the Credit Facility are no longer waived, and Baffinland is in breach of the Credit Facility.

**(c) EDC Term Facility**

104. On October 7, 2022, Baffinland entered into a credit agreement with EDC for a \$75 million term credit facility to fund working capital and general corporate purposes (the “**EDC Term Facility**”). The EDC Term Facility is fully drawn and bears interest at a rate equal to SOFR plus 6.0% payable at the end of each quarter. Baffinland pays approximately \$0.7 million per month in interest under the EDC Term Facility. The EDC Term Facility ranks *pari passu* with the 2026 Notes but junior to the Credit Facility.

105. The EDC Term Facility was initially secured only against certain fuel owned by Baffinland. On November 24, 2025, Baffinland entered into a fourth amendment to the EDC Term Facility, which made two principal changes. First, the maturity date was aligned with that of the Credit Agreement. Second, the collateral securing the EDC Term Facility was expanded to include all of Baffinland's assets, together with a limited recourse guarantee by NIO secured by a pledge of NIO's interest in the shares of BIM Corp. and limited partnership units in BIM LP. The EDC Term

Facility and the fourth amendment are attached to my Affidavit as **Exhibit “W”**. The security granted to EDC is attached to my Affidavit as **Exhibit “X”**.

106. The EDC Term Facility originally had a maturity date of May 31, 2027. However, similar to the Credit Facility, the maturity date was automatically accelerated to June 30, 2026 as a result of Baffinland's failure to pay down the 2026 Notes by March 31, 2026. The accelerated maturity date has not been waived by EDC.

107. On March 31, 2026, EDC sent a notice of default to Baffinland advising that certain events of default had occurred and were continuing under the EDC Term Facility. The events of default related to (a) certain financial obligations arising from federal greenhouse gas pollution pricing; and (b) the granting of additional rights to Oaktree and Hartree under the first waiver to the Credit Agreement. Baffinland's position was that the alleged breaches did not in fact constitute breaches of the EDC Term Facility.

108. The default under the Credit Facility also constitutes an event of default under the EDC Term Facility.

**(d) Intercreditor Agreement**

109. Wilmington Trust, National Association acts as collateral agent for the holders of the 2026 Notes, for Oaktree, and for Hartree under the Credit Facility and EDC, respectively. In each of those capacities, Wilmington Trust is a party to an intercreditor agreement dated June 27, 2018 (the “**Intercreditor Agreement**”). A copy of the Intercreditor Agreement, together with a joinder agreement dated November 24, 2025, is attached to my Affidavit as **Exhibit “Y”**.

110. The Intercreditor Agreement establishes, among other things, a multi-tiered waterfall for the distribution of proceeds. The waterfall applies upon enforcement of remedies following an event of default under the 2026 Notes, the Credit Facility or the EDC Term Facility and in any

distribution made in respect of any insolvency or liquidation proceedings. Specifically, it requires that any payment of amounts outstanding under the Credit Facility shall be made prior to the payment of the amounts outstanding under the 2026 Notes and EDC Term Facility, which rank *pari passu*.

**(ii) Letters of Credit**

111. Baffinland has approximately C\$150 million in aggregate obligations outstanding under 19 letters of credit (collectively, the "**Letters of Credit**") issued by three banks: CIBC, Bank of Montreal ("**BMO**") and BNS. The beneficiaries of the Letters of Credit are the Qikiqtani Inuit Association, the Minister of Northern Affairs and Northern Development Canada, and the Department of Fisheries and Oceans. The majority of the Letters of Credit serve as financial assurance required under Baffinland's commercial lease with the Qikiqtani Inuit Association and its water licence, and are intended to fund environmental reclamation costs associated with the rehabilitation of disturbed land in the event that Baffinland abandons the Mine property or the Milne Inlet port.

112. Security for the Letters of Credit is provided as follows:

- (a) One Letter of Credit is currently secured, in part, by a guarantee by Arcelor;
- (b) Approximately C\$75 million of the Letters of Credit are issued by BMO and are secured under the Credit Facility made available by Oaktree and Hartree. If those Letters of Credit are drawn upon, the amounts outstanding under the Credit Facility will increase accordingly;
- (c) Certain of the Letters of Credit are cash-collateralised, in whole or in part, with cash collateral held in Baffinland's accounts at BNS and CIBC; and

- (d) Certain Letters of Credit are secured by a surety bond from Liberty Mutual – although Liberty Mutual has only bonded 70% of the amounts owing because 30% are cash collateralized with the cash held in the CIBC bank accounts.

**(iii) Other Secured Obligations**

113. The PPSA Search Summaries show that in addition to the secured parties identified above, the following parties have security registrations against the Debtors::

Party	Details
Caterpillar Financial Services Limited and Caterpillar Financial Services Leasing ULC	Registrations made in connection with a master lease between Baffinland and Caterpillar dated September 13, 2019, pursuant to which Baffinland leases mining equipment from time to time.  These equipment leases were paid off in April 2026.
Macquarie Equipment Finance Ltd	Registrations made in connection with a master lease between Baffinland and Macquarie dated September 5, 2024, pursuant to which Baffinland leases mining equipment from time to time.
IRH Global Trading Ltd.	Registrations made in connection with the offtake agreement between Baffinland and IRH dated January 30, 2025.
Glencore AG	Registration made in connection with the Purchase and Sale Agreement between Glencore and Baffinland dated June 5, 2020 (described below) regarding “unscreened lump” being mined and sold to Glencore, but left in the possession of Baffinland.
Wajax Limited	Registrations made in connection with certain motor vehicles collateral located in Ontario.
Bank of Nova Scotia; Canadian Imperial Bank of Commerce	Registrations made in connection with cash collateral held in accounts at these institutions.
De Lage Landen Financial Services Canada Inc.	Registration made in connection with certain office equipment for Oakville office.
AMMC Baffinland Holdco Inc.	This is a legacy registration. There are no debts outstanding to this party.

**(iv) Unsecured Obligations**

**(a) Glencore Obligations**

**(i) Glencore Unscreened Lump Agreements**

114. On June 5, 2020, Baffinland and Glencore entered into a purchase and sale agreement and a processing and transport agreement, copies of which are attached as **Exhibit “Z”** and **Exhibit “AA”**. Pursuant to these agreements, Baffinland sold 5 million wmt of unprocessed ore from the Mine, known as “unscreened lump” (“**USL**”), to Glencore for provisional payments totalling approximately \$110 million. In return, Baffinland agreed to transport the USL from the mine to the Milne Inlet port, process it, and load the finished product onto ships between June 5, 2023 and June 5, 2025. Glencore is obligated to resell the processed USL and remit the sale proceeds to Baffinland, less certain agreed amounts. Depending on prevailing iron ore prices at the time of sale, Baffinland may be entitled to a significant true-up payment well above the \$110 million already received.

115. Title to the USL has transferred to Glencore. The USL has been mined and stockpiled at the Mine site, but it has not been processed or transported to Milne Inlet port. Baffinland has been unable to perform its obligations due to its liquidity and permitting constraints, and Glencore has put Baffinland on notice of this non-performance.

**(ii) Glencore Pre-Sale Agreement**

116. On December 9, 2020, NIO and Glencore entered into a commercial pre-sales purchase and sale agreement for iron ore, under which NIO agreed to sell Glencore 6 million wmt of iron ore at a rate of 1 million wmt per year, commencing July 2023, through back-to-back intercompany sales agreements with Baffinland. The purchase price was tied to the price at which Glencore would resell the iron ore.

117. The parties also agreed to a prepayment facility under which Glencore agreed to prepay for future deliveries. NIO has received a prepayment of \$50 million, which amount continues to accrue interest. A portion of the prepayment facility providing for prepayments of an additional \$250 million was cancelled as a result of the rejection of the permit for Milne Railway. To date, NIO has not entered into any back-to-back sales agreements with Baffinland, nor has it delivered any iron ore to Glencore.

**(b) 2029 Notes**

118. On September 11, 2020, NIO entered into a note purchase agreement pursuant to which NIO sold senior notes in an aggregate principal amount of \$164.5 million, due 2029. On September 16, 2020, NIO entered into a second note purchase agreement pursuant to which NIO sold additional senior notes in an aggregate principal amount of \$249.0 million, due 2029. The senior notes issued under both agreements are referred to collectively as the “**2029 Notes**.” As of December 31, 2025, NIO had issued a total of \$230.9 million in 2029 Notes, net of \$4.9 million in issuance costs.

119. The 2029 Notes bear interest at 12% per annum, payable semi-annually on June 15 and December 15. Under the terms of the 2029 Notes, NIO may defer all or part of the accrued interest for any interest period. Interest accrued from June 2023 to June 2025 on the 2029 Notes remained unpaid and was deferred as of December 2025. Total deferred interest as of December 31, 2025 was \$81.7 million.

**(c) Promissory Notes and other liability**

120. On October 14, 2022, NIO executed two subordinated promissory notes in favour of Arcelor in the amounts of \$19.7 million and \$8.2 million. While EMG Operator is the current operator under the Operating Agreement described under the “Corporate Governance” heading

in paragraph 28 above, Arcelor was a sole operator under that agreement until August 2016 and a joint operator under that agreement until June 30, 2018.

121. These promissory notes were established in respect of the aggregate amount of operator fees that were waived for the periods during which Arcelor acted as sole operator or joint operator of the Mine.

122. These promissory notes and other liabilities are non-interest-bearing and payable on demand, subject to the terms of the promissory notes and a letter agreement among NIO's shareholders. Certain conditions must be satisfied before any payment can be demanded.

**(d) Toromont Industries Ltd. and Toromont Arctic Limited**

123. Baffinland is party to a master services and parts agreement with Toromont Arctic Limited ("**Toromont**") pursuant to which Toromont maintains parts inventory and personnel on site at the Mine to service Baffinland's caterpillar equipment.

124. In March 2026, Toromont Industries Ltd. (acting on behalf of Toromont ) filed a claim of lien under the Nunavut *Miners Lien Act* against BIM Corp. in the amount of approximately C\$17.1 million for payments owing for the supply of parts, labour, and capital tools to maintain certain equipment at the Mine between July 31, 2025 and March 4, 2026. The lien is registered against Baffinland's mining leases and associated mining claims.

**(e) Obligations owing under the *Greenhouse Gas Pollution Pricing Act***

125. Environment and Climate Change Canada alleges that Baffinland owes C\$38.7 million under the Federal Output-Based Pricing System, which is a Canadian regulatory program designed to incentivize emission reductions. The *Greenhouse Gas Pollution Pricing Act* establishes the overarching legal framework for carbon pricing in Canada and the *Output-Based*

*Pricing System Regulations* define performance standards and the compliance mechanisms. The alleged amount owing includes a charge (equivalent to a federal carbon price) for emitting more than their allocated standard under the applicable regulations.

**(f) Other Unsecured Obligations**

126. Baffinland's accounts payable balance is approximately \$87 million as of May 4, 2026. This amount includes approximately \$30 million payable in connection with fuel provided to it during the 2025 shipping season, as well as amounts owing to other suppliers for goods delivered during 2025.

**E. BAFFINLAND'S FINANCIAL DIFFICULTIES**

**(i) Source of Baffinland's Financial Difficulties**

127. Baffinland's financial difficulties are the product of several converging factors: (a) significant capital expenditures and commitments in connection with the construction of the Milne Railway and the unexpected regulatory disapproval of the Milne Railway, (b) high debt-servicing costs from substantial outstanding indebtedness, (c) constrained transportation and shipping limits, and (d) the high operating costs associated with a trucking operation and mining in a very remote location.

128. A central cause of the Debtors' financial distress is the over \$1.06 billion spent between 2017 and 2022 on capital expenditures for the Milne Railway. Regulatory approval for the Milne Railway was expected in 2019, with construction to be completed by 2021. In reliance on that anticipated timeline, the Debtors entered into significant contracts and incurred substantial expenditures well in advance of receiving regulatory approval, including contracted construction costs, mobilisation expenses, the purchase of a ship loader to accommodate projected increases in production capacity, the acquisition of cold-climate-retrofitted locomotives, and binding

agreements for railway construction. When the Milne Railway was ultimately rejected by the regulatory authorities, the Debtors were left carrying significant debt attributable to a project that could not proceed.

129. Baffinland's debt-servicing obligations compound these difficulties. Baffinland currently pays approximately the aggregate amount of \$2.5 million a month in interest under the Credit Facility and EDC Term Facility. Additionally, Baffinland pays \$25 million bi-annually to the holders of the 2026 Notes. As noted above, Baffinland is in default under the Credit Facility, EDC Term Facility and 2026 Notes.

130. Baffinland's transportation and shipping capacity remains constrained. As described above, Baffinland is limited to transporting and shipping 4.2 Mtpa under its existing approvals. While Baffinland has recommitted to building the Steensby Railway, which would materially increase production capacity, it currently lacks the committed capital to meaningfully advance that project.

131. The Mine's remote location results in significant operating costs. As noted, all supplies, fuel, and equipment must be shipped by sea during a narrow summer window, and the workforce must be flown in on a rotational basis from across Canada. As noted above, volatile fuel prices have exacerbated the Debtors' financial difficulties and have made it difficult to secure the fuel needed for the mine's operations.

132. The current operations model further requires that iron ore be trucked along the Tote Road to the port at Milne Inlet, which is inherently costly and limits throughput. At the transportation and shipping level of 4.2 Mtpa, revenue generated from the mine is insufficient to cover fixed operating costs and allow the Debtors to service their outstanding debt obligations.

**(ii) Measures Undertaken to Address the Debtors' Financial Difficulties**

133. In an effort to support their operations and improve liquidity, the Debtors have undertaken a number of cost-reduction and efficiency measures. These include reductions in working capital commitments, renegotiating key supplier contracts and a workforce reduction of more than 20% in 2024.

134. In parallel, the Debtors have actively pursued additional sources of capital to address their liquidity constraints and finance the Steensby Railway.

135. Most notably, Baffinland secured \$300 million in funding through the Royalty Agreements, all of which was received by September 30, 2025. In March 2026, NIO issued units to its shareholders for aggregate gross proceeds of approximately \$35 million. Baffinland and NIO also undertook a recapitalization transaction in respect of the 2026 Notes maturing on July 15, 2026. The recapitalization transaction was not completed by the April 30, 2026 deadline established under Limited Waiver No. 2 to the Credit Facility.

136. In addition, EDC has expressed its lack of support for the recapitalization transaction. On May 8, 2026, EDC wrote to Baffinland advising that it was not supportive of the recapitalization transaction and would not consent to amend the maturity dates of the EDC Term Facility in furtherance of such a plan. EDC further indicated that it was not supportive of asset sales or other transactions being contemplated by Baffinland and that, in its view, a comprehensive restructuring was required in a formal court-supervised setting. A copy of EDC's letter dated May 8, 2026 is attached to my Affidavit as **Exhibit "BB"**.

137. While some of these efforts have been meaningful, they have proven insufficient to offset the combined effect of high debt-servicing costs and constrained production volumes. The

Debtors' most viable path to long-term financial sustainability is the advancement of the Steensby Railway project, which would increase production capacity at the Mine to up to 22 Mtpa.

138. In 2023, Baffinland retained Cutfield Freeman & Co. Ltd. as financial advisor to develop a debt financing plan and to source project financing for the construction of the Steensby Railway. Meaningful progress has been made on this initiative, including the receipt of letters of support totalling up to \$3 billion from global export credit agencies. Baffinland has not, however, been able to secure committed capital to date. The scale of capital required to construct the Steensby Railway and its related infrastructure is substantial, particularly given the Debtors' existing financial strain. In addition, the significant quantum of debt currently carried by the Debtors has made prospective investors reluctant to provide further capital, and the Debtors have been unable to refinance their existing indebtedness on acceptable terms.

### **(iii) Need for CCAA Protection**

139. The Debtors are facing exceptional circumstances that require relief, and their precarious financial position makes it imperative that CCAA protection be granted.

140. Baffinland incurred a net loss of \$102.4 million during the year ended December 31, 2025 and, as of that date, their current liabilities exceeded their current assets by \$761 million.

141. As noted above, Baffinland is in default under the 2026 Notes, the Credit Agreement and the EDC Term Facility, and the maturity dates of the latter two agreements have been accelerated to June 30, 2026, shortly before the maturity date of the 2026 Notes.

142. Despite the cost-reduction measures and capital-raising efforts described above, the Debtors remain unable to generate sufficient cash flow to cover their fixed operating costs and service their outstanding debt obligations at the current capped production levels. As at May 4,

2026, the Debtors owe approximately \$87 million in past-due trade payables. The Debtors do not have sufficient liquidity to repay their obligations.

143. In order to facilitate the necessary 2026 sealift shipments Baffinland requires approximately \$100 million in payments to be made, with the bulk of these amounts flowing to suppliers who maintain significant outstanding balances payable by Baffinland. This amount includes fuel needs.

144. The Debtors are currently operating on a week-to-week basis from a cash-flow perspective and they face substantial near-term expenses to procure their annual fuel and supply requirements for shipment commencing in July. At present, they lack sufficient funds to do so. Baffinland must act promptly to secure both committed fuel volumes and vessel capacity at a time when global competition for fuel is intense and availability is uncertain. Any delay risks Baffinland being unable to obtain sufficient fuel, impairing its ability to operate the Mine through the coming year.

145. The Debtors' heavy debt burden has rendered prospective investors unwilling to commit further capital. Absent the protections of the CCAA, the Debtors face the risk that creditors may take enforcement action given the events of default noted above, which would disrupt ongoing operations and diminish the value of the Debtors' assets to the detriment of all stakeholders. This risk is not hypothetical: certain of Baffinland's suppliers and vendors (e.g. Toromont) have already filed liens against Baffinland or placed Baffinland on restricted supply terms.

146. The consequences of inaction extend well beyond the Debtors and their creditors. Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people, including approximately 300 Inuit employees. The Mine is of significant economic importance to the Qikiqtani region and to Nunavut more broadly. A disruption to Baffinland's operations would have far-reaching consequences not only for the Debtors' creditors and

stakeholders, but also for the Inuit communities, businesses that provide services to the mine and workers who depend on the continued operation of the Mine.

147. For these reasons, creditor protection under the CCAA is required. The Initial Order is necessary to preserve the going-concern value of the Debtors' business, maintain critical supplier and customer relationships, and ensure that stakeholders' interests are protected in an orderly and transparent process supervised by this Court.

148. If the Initial Order is granted, it will provide the Debtors with the stability and breathing room necessary to continue operations on a going-concern basis, procure their annual fuel and supply requirements and allow them the breathing room to pursue a refinancing, recapitalization, restructuring plan, investment, or sale solicitation process (or any combination of the foregoing) designed to maximize value for the benefit of all stakeholders (a "**Strategic Process**").

## **PART II – RELIEF SOUGHT**

### **A. THE INITIAL ORDER**

149. As described in paragraph 4 above, the Applicants seek an Initial Order:

- (a) declaring that the Applicants are debtor companies to which the CCAA applies
- (b) declaring that BIM LP shall be bound by, and entitled to the protections and benefits of, the Initial Order as though it were an Applicant;
- (c) granting a stay of proceedings against the Debtors for an initial period of not more than ten days, subject to further order of this Court;
- (d) appointing FTI Consulting Canada Inc. as Monitor of the Debtors;
- (e) authorizing the Debtors to continue using their existing Cash Management System;

- (f) granting the Administration Charge and D&O Charge and the priorities of such charges; and
  - (g) setting a date for the Comeback Hearing to be held within ten days of the Initial Order.
- (i) Stay of Proceedings**

150. The Debtors require a stay of proceedings and the other protections afforded by the CCAA to provide them with the breathing room needed to stabilize their operations and preserve the value of their assets for the benefit of all stakeholders. As noted above, the Debtors have significant overdue trade payables and creditors have begun exercising remedies. A stay of proceedings is necessary to prevent creditors from taking enforcement action against the Debtors while they work to develop and implement a viable plan to address their financial difficulties, including a Strategic Process. It would be highly disruptive and potentially detrimental to the Debtors' restructuring efforts and ongoing mining operations if rights or remedies were executed against them.

151. The Debtors are requesting an initial stay of proceedings for a period of not more than ten days until the Comeback Hearing, at which time the Debtors anticipate requesting a further extension of the stay.

152. With the assistance of FTI, the Debtors have conducted a cash flow analysis to determine the amount required to finance their business operations and the costs of these CCAA proceedings, assuming the Initial Order is granted (the "**Cash Flow Projection**"). I understand that the Cash Flow Projection will be appended to the proposed Monitor's pre-filing report and will demonstrate that the Debtors have sufficient cash to fund their operations and the costs of these

CCAA proceedings during the requested stay period, provided the relief contemplated under the Initial Order and any amended and restated Initial Order, if granted.

**(ii) The Monitor**

153. Pursuant to the Initial Order, the Applicants are asking this Court to appoint FTI as Monitor. FTI has extensive experience in large and complex insolvency proceedings under the CCAA, including a number of proceedings involving mining and resource companies.

154. I am advised by FTI that it is a “trustee” within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and that it is not otherwise precluded from acting as monitor under subsection 11.7(2) of the CCAA. FTI has consented to act as monitor in these proceedings, if appointed. I am advised by Jeffrey Rosenberg of FTI that a copy of FTI’s consent to act as Monitor in these proceedings will be attached to FTI’s pre-filing report.

**(iii) Priority Charges**

155. In order to ensure the continued operation of the Debtors during the CCAA proceedings, the Debtors are seeking certain charges over the assets of the Debtors in the following priority: (a) the Administration Charge; and (b) the D&O Charge.

**(a) Administration Charge**

156. As the Debtors navigate these CCAA proceedings, they will need to rely on their counsel, the Monitor and the proposed Monitor’s counsel. Accordingly, the Debtors are seeking that the proposed Monitor (and its counsel) and counsel to the Debtors be granted an Administration Charge on the present and future assets, property and undertakings of the Debtors as security for any respective fees and disbursements up to a maximum of \$2 million for the Initial Order. The Administration Charge is proposed to rank ahead of, and have priority over, the D&O Charge.

157. The Debtors, in consultation with the proposed Monitor, determined the quantum of the Administration Charge required until the Comeback Hearing, having regard for the professionals' accrued fees and retainers. Such quantum is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge by the Comeback Hearing. The quantum of the Administration Charge is proposed to be increased at the Comeback Hearing.

**(b) D&O Charge**

158. The Debtors seek a D&O Charge on their assets in favour of their directors, members of the Operating Committee and officers in an amount not to exceed \$14 million to indemnify them in respect of liabilities they may incur as directors, members of the Operating Committee and officers during these CCAA proceedings. The D&O Charge will rank behind the Administration Charge. The amount of the D&O Charge represents payroll and vacation pay obligations for Baffinland's employees for the 10-day period between the date of the Initial Order and the Comeback Hearing, which payroll obligations are always one week in arrears.

159. I am advised that the Debtors maintain director and officer insurance but the insurance may include contractual contingencies and uncertainty associated with possible coverage. There are five separate insurance policies held with (i) AIG Insurance Company of Canada (Policy No. 02-123-34-72); (ii) Continental Casualty Company (CNA Canada) (Policy No. MEX 665417673); (iii) Chubb Insurance Company of Canada (Policy No. 99929746); (iv) AXIS Reinsurance Company (Canadian Branch) (Policy No. CTS680535/01/2025); and (v) Liberty Mutual Insurance Company (Policy No. DOTOACKDT9004). Each policy has a limit of liability of \$5 million.

160. The insurance policies are structured as an excess liability structure and have a common policy period running from December 1, 2025 to December 1, 2026. The AIG policy serves as the primary layer, subject to a deductible of \$250,000. The remaining four policies are "excess follow

form” policies, meaning they adopt the terms, conditions, and limitations of the AIG primary policy unless specifically stated otherwise. Each excess layer sits above the preceding layers and will only respond after the underlying limits have been exhausted by payment of losses. Therefore, I do not believe that the Debtors’ existing director and officer insurance provides sufficient coverage against the potential liability that the directors, members of the Operating Committee and officers could incur in relation to these CCAA proceedings.

161. The Debtors have agreed to indemnify the directors, members of the Operating Committee to the extent they are exercising powers of a director, and officers of the Debtors for all liabilities arising post-filing except due to their gross negligence or wilful misconduct. However, the Debtors do not have sufficient funds to satisfy those indemnities should the directors, members of the Operating Committee or officers be found responsible for potential liabilities. Moreover, the Debtors were unable to obtain adequate additional indemnification insurance at a reasonable cost.

162. I have been advised that certain members of the Operating Committee, along with the directors and officers of the Debtors, are likely to resign if the D&O Charge is not granted. These individuals possess critical institutional knowledge of the Debtors and their operations. In my view, their resignations would complicate these CCAA proceedings and risk destroying value for the stakeholders.

163. As such, the Debtors request that the D&O Charge be granted to protect their directors, members of the Operating Committee acting in the capacity as directors, and officers against obligations and liabilities they may incur to the degree that the Debtors cannot satisfy their indemnification obligations.

164. The quantum of the D&O Charge was determined by the Debtors, in collaboration with the proposed Monitor, and is limited to the indemnification obligations and liabilities that the Debtors’

directors, members of the Operating Committee and officers may face during the initial ten days of these CCAA proceedings and as noted above is almost entirely comprised of payroll obligations. The amount of the D&O Charge is proposed to be increased at the Comeback Hearing, including to include amounts that beneficiaries of such charge may be exposed to for termination and severance obligations.

**(iv) Cash Management**

165. The Debtors anticipate that, for the period between the date of the Initial Order and the date of the Comeback Hearing, they will continue to utilize the Cash Management System and their existing banking arrangements in the ordinary course of business.

166. The Cash Management System is critical to the orderly management of the Debtors' business affairs, including the continued operation of the Mine. Accordingly, the Debtors are seeking to continue to operate the Cash Management System post-filing in substantially the same manner as before the commencement of these CCAA proceedings.

**B. COMEBACK HEARING**

167. If the Initial Order is granted, the Debtors are requesting a Comeback Hearing to be scheduled within ten days of the granting of the Initial Order. Subject to any changes that may occur between now and the date of the Comeback Hearing, at the hearing the Debtors intend to seek an amended and restated Initial Order that would, among other things, address the matters more particularly described below.

**(i) Extension of the Stay of Proceedings**

168. At the Comeback Hearing, the Debtors intend to seek an extension of the stay of proceedings, to provide the Debtors with sufficient time to stabilize their operations, advance their

operational restructuring efforts and develop a Strategic Process designed to maximize value for the benefit of their stakeholders.

**(ii) DIP Facility and DIP Charge**

169. At the Comeback Hearing, the Debtors intend to seek approval of a debtor-in-possession facility. In anticipation of the Debtors' liquidity needs during the CCAA proceeding, FTI commenced a debtor-in-possession solicitation process, which is still underway. I understand that FTI will be providing details on the DIP solicitation process to the Court in its report on the Comeback Hearing. It is anticipated that the Debtors will enter into a DIP term sheet in advance of the Comeback Hearing and will seek its approval at such hearing.

170. The Debtors require DIP financing to, among other things, provide operating cash, fund the costs of their day-to-day operations, including critical fuel supply costs and other expenses needed for the upcoming sea lift season, and to devise and implement a Strategic Process. A DIP facility is critical to the Debtors' ability to continue operating the Mine and to pursue a value-maximizing transaction for the benefit of all of their stakeholders.

171. The Debtors anticipate that the DIP facility will be secured by a charge over all of their property and will seek this Court's approval of that charge at the Comeback Hearing concurrently with seeking approval of the DIP facility.

**(iii) Key Employee Retention Plan and Key Employee Incentive Plan**

172. Subject to any changes between now and the Comeback Hearing, the Debtors also intend to seek Court approval of a KERP and/or a KEIP that applies to certain employees and management of the Debtors who are crucial to the continued operation of the Mine and to the Debtors' restructuring efforts, including certain members of the Operating Committee. The parties contemplated to be included in the KERP or KEIP have critical industry and operational

knowledge of the mining operations and key contracts. Given the highly specialized nature of the Debtors' operations, the retention of key personnel is essential. In the absence of a retention plan, it is highly likely these individuals would seek alternative employment, which would significantly impair the Debtors' ability to operate and run a successful Strategic Process.

173. As part of the relief at the Comeback Hearing, the Debtors intend to seek this Court's permission to seal the identities and titles of the recipients of the KERP.

174. At the Comeback Hearing, the Debtors also intend to seek a KERP Charge against the property of the Debtors as security for amounts payable under the KERP.

**(iv) Critical Suppliers and Critical Supplier Charge**

175. The Debtors intend to seek a declaration that certain suppliers whose continued provision of goods and services is essential to the ongoing operation of the Mine and the safety of its personnel are "critical suppliers" who are entitled to the benefit of a critical supplier charge (the "**Critical Supplier Charge**"). The parties that will be identified as critical suppliers supply goods and services, including the provision of the Letters of Credit, that are essential for ongoing operations at the Mine.

**(v) Priority Charges**

176. At the Comeback Hearing, subject to any changes, the Debtors intend to seek approval of the following charges over the property of the Debtors, in the following order of priority:

- (a) first, an increase in the Administration Charge;
- (b) second, an increase in the D&O Charge granted in favour of the Debtors' directors and officers, and the members of the Operating Committee acting in such

capacities, to reflect potential exposure to termination and severance liabilities, as well as salary, payroll and related employment obligations.

- (c) third, the DIP Charge;
- (d) fourth, the KERP Charge; and
- (e) fifth, the Critical Supplier Charge.

### C. CONCLUSION

177. For the reasons set out above, I believe that the relief requested on this application is in the best interests of the Debtors and their stakeholders.

178. I swear this Affidavit in support of the within application for relief under the CCAA and for no other or improper purpose.

SWORN REMOTELY by Celeste van Tonder at the City of Oakville, in the Province of Ontario before me at the City of Toronto, in Province of Ontario, on the 14th day of May, 2026 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*

*Sean Monahan*

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**SEAN MONAHAN** (LSO #87650U)  
A Commissioner for Taking Affidavits in  
and for the Province of Ontario




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**CELESTE VAN TONDER**

This is Exhibit "B" referred to in the Affidavit of Celeste van Tonder sworn by Celeste van Tonder at the City of Oakville, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 20, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

*Sean Monahan*

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**SEAN MONAHAN**

LSO# 87650U

**For Immediate Release  
May 15, 2026**

## **Baffinland Announces Commencement of Proceedings Under Companies' Creditors Arrangement Act**

Oakville, ON | May 15, 2026 — Baffinland Iron Mines Corporation (“Baffinland” or the “Company”) announced today that it has commenced proceedings under the Companies’ Creditors Arrangement Act (the “CCAA”) pursuant to an initial order (the “Initial Order”) granted by the Ontario Superior Court of Justice (Commercial List) (the “Court”).

After careful consideration of all alternatives including discussions with lenders and stakeholders, Baffinland has sought creditor protection under the CCAA to obtain a stay of proceedings as it evaluates its strategic alternatives. The CCAA proceedings provide the Company the ability to appropriately evaluate strategic alternatives while maintaining control and stabilizing current operations. These alternatives may include a recapitalization or a potential sale of the Company. During the proceedings Baffinland will be continuing discussions with all stakeholders. The Company is in discussions with potential lenders to provide Debtor-In-Possession (“DIP”) financing.

Baffinland expects no disruptions to its operations at the Mary River Mine or Milne Port and intends to continue advancing the Steensby component of the Mary River Mine. The upcoming 2026 shipping season will commence as planned with all customer deliveries of iron ore expected to occur in the normal course. Agreements the Company has with the Qikiqtani Inuit Association will continue to be honoured.

Among other things, the Initial Order provides for a stay of proceedings in favour of the Company and certain of its affiliates for an initial period of 10 days, subject to extension thereafter as the Court deems appropriate. The Court has appointed FTI Consulting Canada Inc. as its Monitor to oversee the activities of the Company.

Baffinland is encouraged by the continued support of the Government of Canada, Government of Nunavut and other key stakeholders who understand its importance to Nunavut, Inuit communities, employees, contractors, suppliers and the Canadian economy.

Baffinland will provide further updates as appropriate.

**For any questions or media requests, please contact:**

**Peter Akman**

Head of Stakeholder Relations & Communications

Tel. +1 (289) 834 0744

Email: [peter.akman@baffinland.com](mailto:peter.akman@baffinland.com)

Web: <https://baffinland.com>



## **Baffinland Iron Mines**

Baffinland Iron Mines Corporation operates the Mary River high-grade iron ore mine on Baffin Island, Nunavut, Canada and is owned by funds managed by The Energy & Minerals Group and by a subsidiary of ArcelorMittal. Nunavut's high-grade iron ore is among the richest iron ore deposits ever discovered and is designated as a critical mineral in Canada due to its importance in global supply chains.

The Mary River mine produces the highest-grade direct shipping iron ore in the world, in the form of lumps and fines. What sets this operation apart is its minimal environmental impact processing - the ore is simply crushed and screened on-site before being shipped directly to markets. This process eliminates the need for water-intensive concentration or upgrading, resulting in no tailings. Both our lumps and fines are highly sought after by steelmakers globally due to their tier 1 metallurgical properties and their significantly lower CO2 footprint compared to other direct shipping iron ores.

Baffinland operates under an Impact and Benefit Agreement with the Qikiqtani Inuit Association, and operating permits granted by territorial and federal regulators in Canada, ensuring that its activities support local employment, training, and economic development and comply with industry leading environmental impact management practices and community engagement.

This is Exhibit "C" referred to in the Affidavit of Celeste van Tonder sworn by Celeste van Tonder at the City of Oakville, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 20, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

*Sean Monahan*

---

**SEAN MONAHAN**

LSO# 87650U



## UNION NEWS FLASH

### Union's Collective Agreement Remains in Full Effect and Normal Operations at the Mine Will Continue as Baffinland Pursues Creditor Protection

May 15, 2026

The Union was advised this afternoon by senior Baffinland management that the company has filed an application for creditor protection. This legal process will allow Baffinland time to make strategic decisions about the mine's future, including options for refinancing or potential sale of the company.

For our members' reassurance, the important information to know right now is this:

- Operations at the mine will continue as normal, including this year's shipping season.
- Members should continue to work and report for work as usual.
- The Union's collective agreement with Baffinland remains in full force, and will continue to remain in effect even if the company is sold.
- Members' pay package and benefit contributions for health plan coverage will continue to be paid and remitted as normal.

We appreciate that the news of Baffinland seeking creditor protection may be stressful. The Union asks that members do **not** overreact - we will continue to work with Baffinland to ensure the best interests of members are protected going forward.

As soon as new information is available, the Union will update members immediately.

Please do not hesitate to contact our site Union Reps, Trevor Hall and Sheldon White, with any questions at [nunavut@iuoelocal793.org](mailto:nunavut@iuoelocal793.org)

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**We thank you and appreciate your ongoing support and cooperation!**

As always, feel free to send questions to: [nunavut@iuoelocal793.org](mailto:nunavut@iuoelocal793.org)

IUOE Local 793 | 2245 Speers Rd | Oakville, ON L6L6X8 CA

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This is Exhibit "D" referred to in the Affidavit of Celeste van Tonder sworn by Celeste van Tonder at the City of Oakville, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 20, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

*Sean Monahan*

---

**SEAN MONAHAN**

LSO# 87650U



# Statement

## Baffinland Iron Mines restructuring

May 15, 2026  
Iqaluit, Nunavut

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Premier John Main and Community Services Minister Craig Simailak today issued the following statement:

“Today, the government learned that Baffinland Iron Mines Corporation (BIMC) is undergoing court-supervised restructuring under the protection of the *Companies’ Creditors Arrangements Act*.

We are assured that Baffinland’s operations will continue as normal for the time being, and that the firm will honour its agreement with the Qikiqtani Inuit Association.

Our top priority is protecting the livelihood and wellbeing of the hundreds of Nunavummiut employed at Baffinland, which is a major employer in the territory and contributor to the economy. The government wants to see the mine continue to operate well into the future, and we will continue to monitor the situation.”

###

### Media Contact:

Joanna Awa  
Press Secretary  
Office of Premier John Main  
867-975-5059  
[jawa7@gov.nu.ca](mailto:jawa7@gov.nu.ca)

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.

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

Proceeding commenced at Toronto

**AFFIDAVIT OF CELESTE VAN TONDER**  
**(Sworn May 20, 2026)**

**DAVIES WARD PHILLIPS & VINEBERG LLP**  
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Lawyers for the Applicants and Baffinland Iron Mines LP

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

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

THE HONOURABLE	)	MONDAY, THE 25th
	)	
MADAM JUSTICE CONWAY	)	DAY OF MAY, 2026

**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.**

**Applicants**

**AMENDED AND RESTATED INITIAL ORDER**

**THIS APPLICATION**, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, and 12334992 Canada Inc. (collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an Order amending and restating the initial order issued by this Court on May 15, 2026 (the “**Initial Filing Date**”), was heard this day by judicial videoconference.

**ON READING** the Application Record of the Applicants dated May 15, 2026 (the “**Application Record**”), the Affidavit of Celeste van Tonder sworn May 14, 2026 and the Exhibits thereto (the “**Initial Van Tonder Affidavit**”), the Motion Record of the Applicants dated May 20, 2026 (the “**Motion Record**”), the Affidavit of Celeste van Tonder sworn May 20, 2026 (the “**Second Van Tonder Affidavit**”), the consent of FTI Consulting Canada Inc. (“**FTI**”) to act as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), the Pre-Filing Report of the Monitor dated May 14, 2026, the First Report of the Monitor dated [●], 2026 (the “**First Report**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Baffinland

Iron Mines LP (collectively, the “**Debtors**” and each a “**Debtor**”), counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service filed,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record, and the Motion Record, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Second Van Tonder Affidavit and that any words importing the singular include the plural and vice versa.

### **APPLICATION**

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not an Applicant, Baffinland Iron Mines LP shall enjoy the benefits of the protections and authorizations provided by this Order as if it were an “Applicant” hereunder.

### **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that the Debtors shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

### **POSSESSION OF PROPERTY AND OPERATIONS**

5. **THIS COURT ORDERS** that the Debtors shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind

whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Debtors shall be entitled to continue to utilize the central cash management system currently in place as described in the Initial Van Tonder Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, long-term incentive plan payments, short-term incentive plan payments payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall be entitled but not required to pay all reasonable expenses incurred by the Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) all amounts payable to Qikiqtani Inuit Association in accordance with the Benefits Agreement; and

- (c) payment for goods or services actually supplied to the Debtors following the date of this Order.

9. **THIS COURT ORDERS** that the Debtors shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Northern Employee Benefits Services Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtors.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtors and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtors to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding US\$1,000,000 in any one transaction or US\$5,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Debtors to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Debtors shall provide each of the relevant landlords with notice of the Debtors’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtors’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtors, or by further Order of this Court upon application by the Applicants on at least two (2) days’ notice to such landlord and any such secured creditors. If the Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtors’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtors and the Monitor 24 hours' prior written notice, and at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtors in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

15. **THIS COURT ORDERS** that until and including June 5, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or their employees, advisors and representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, suspend, alter, accelerate, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use of their current premises, telephone

numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Debtors. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST D&O PARTIES**

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors 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 with the directors and officers, the “**D&O Parties**”) with respect to any claim against the D&O Parties that arose before the date hereof and that relates to any obligations of the Debtors whereby any of the D&O Parties are alleged under any law to be liable in their capacity as directors or officers, or in the case of members of the Operating Committee, in their

capacity as persons exercising the powers of directors, directly or indirectly, for the payment or performance of such obligations, until a Plan in respect of the Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court.

#### **D&O PARTIES' INDEMNIFICATION AND CHARGE**

21. **THIS COURT ORDERS** that the Debtors shall indemnify the D&O Parties against obligations and liabilities that they may incur as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors of the Debtors, directly or indirectly, after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any such D&O Party, the obligation or liability was incurred as a result of the D&O Party's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the D&O Parties shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of US\$20.4 million, as security for the indemnity provided in paragraph 21 of this Order. The D&O Charge shall have the priority set out in paragraphs 33 and 35 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) D&O Parties shall only be entitled to the

benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

#### **APPOINTMENT OF MONITOR**

24. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Debtors with the powers and obligations set out in the CCAA or set forth herein and that the Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Debtors in their preparation of the Debtors' cash flow statements;
- (d) advise the Debtors in their development of the Plan and any amendments to the Plan;

- (e) assist the Debtors, to the extent required by the Debtors, with the holding and administering of creditors' and shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a

spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the *Fisheries Act*, the *Nunavut Planning and Project Assessment Act* and the *Nunavut Safety Act*, and regulations thereunder (collectively, the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by any applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Debtors with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees, advisors and representatives acting in such capacities shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

#### **ADMINISTRATION CHARGE**

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Debtors shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Debtors as part of the costs of these proceedings. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Debtors on a bi-weekly basis and, in addition, the Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Debtors, reasonable retainers *nunc pro tunc* to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

31. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Debtors' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US\$5 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

33. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge (collectively, the "**Charges**") as among them, shall be as follows:

*First* – the Administration Charge (to the maximum amount of US\$5 million);  
and

*Second* – the D&O Charge (to the maximum amount of US\$20.4 million).

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

35. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Debtors also obtain the prior written consent of the Monitor, and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

37. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Debtors of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

- (c) the payments made by the Debtors pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

38. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Debtors' interest in such real property leases.

#### **SERVICE AND NOTICE**

39. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the *Globe and Mail* (National Edition), a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than \$1000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no

liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

41. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://cfcanada.fticonsulting.com/baffinland>.

42. **THIS COURT ORDERS** that if the service, distribution or notice of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the Debtors’ creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Debtors and that any such service, distribution or notice shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Eastern Time), (b) the next business

day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. (Eastern Time), or (c) on the business day following the date of forwarding thereof, if sent by ordinary mail.

43. **THIS COURT ORDERS** that the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Debtors' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

#### **GENERAL**

44. **THIS COURT ORDERS** that the Debtors or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Debtors, the Business or the Property.

46. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative

bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Debtors and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of the Initial Filing Date and is enforceable without the need for entry and filing.

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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.

Applicants

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AMENDED AND RESTATED INITIAL ORDER**

**DAVIES WARD PHILLIPS & VINEBERG LLP**

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*Lawyers for the Applicants and Baffinland Iron Mines LP*

Court File No. \_\_\_\_\_: CL-26-0000219-0000

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

THE HONOURABLE ) ~~FRIDAY~~MONDAY, THE  
MADAM JUSTICE CONWAY ) ~~15th~~25th  
)  
DAY OF MAY, 2026

**IN THE MATTER OF ~~the Companies' Creditors Arrangement Act~~THE  
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, ~~as-~~  
~~amended~~ 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.**

Applicants

**AMENDED AND RESTATED INITIAL ORDER**

**AND IN THE MATTER OF a Plan of Compromise or Arrangement of THIS  
APPLICATION, made by** Nunavut Iron Ore, Inc., Baffinland Iron Mines  
Corporation, and 12334992 Canada Inc.

(collectively Applicants

**INITIAL ORDER**

**THIS APPLICATION, made by the, the "Applicants"** pursuant to the  
*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the  
"CCAA") for an Order amending and restating the initial order issued by this Court on  
May 15, 2026 (the "Initial Filing Date"), was heard this day by judicial videoconference.

**ON READING** the ~~Notice of~~ Application, ~~the affidavit~~ Record of the Applicants  
dated May 15, 2026 (the "Application Record"), the Affidavit of Celeste van Tonder  
sworn May 14, 2026 and the Exhibits thereto (the "Initial Van Tonder Affidavit"), the  
~~pre-filing report~~ Motion Record of the Applicants dated May 20, 2026 (the "Motion

Record”), the Affidavit of Celeste van Tonder sworn May 20, 2026 (the “Second Van Tonder Affidavit”), the consent of FTI Consulting Canada Inc. (“FTI”) ~~as the proposed monitor, the consent of FTI~~ to act as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), the Pre-Filing Report of the Monitor dated May 14, 2026, the First Report of the Monitor dated [●], 2026 (the “First Report”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Baffinland Iron Mines LP (collectively, the “Debtors” and each a “Debtor”), counsel for ~~FTI as the proposed~~ Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service filed,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application ~~and,~~ the Application Record, and the Motion Record, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Second Van Tonder Affidavit and that any words importing the singular include the plural and vice versa.

### **APPLICATION**

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not an Applicant, Baffinland Iron Mines LP shall enjoy the benefits of the protections and authorizations provided by this Order as if it were an “Applicant” hereunder.

## PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Debtors shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the **"Plan"**).

## **POSSESSION OF PROPERTY AND OPERATIONS**

45. **THIS COURT ORDERS** that the ~~Applicants and Baffinland Iron Mines LP~~ (collectively, the **"Debtors"** and each a **"Debtor"**) shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **"Property"**). Subject to further Order of this Court, the Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the **"Business"**) and Property. The Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively **"Assistants"**) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

56. **THIS COURT ORDERS** that the Debtors shall be entitled to continue to utilize the central cash management system currently in place as described in the Initial Van Tonder Affidavit or replace it with another substantially similar central cash management system (the **"Cash Management System"**) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment,

collection or other action taken under the Cash Management System, or as to the use or application by the Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any ~~plan of compromise or arrangement (a "Plan")~~ with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

67. **THIS COURT ORDERS** that the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, long-term incentive plan payments, short-term incentive plan payments payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges.

78. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall be entitled but not required to pay all reasonable expenses

incurred by the Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) all amounts payable to Qikiqtani Inuit Association in accordance with the Benefits Agreement; and
- (c) payment for goods or services actually supplied to the Debtors following the date of this Order.

**89.** **THIS COURT ORDERS** that the Debtors shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Northern Employee Benefits Services Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtors.

| 910. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtors and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

~~40~~11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtors to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

### **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding US\$1,000,000 in any one transaction or US\$5,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Debtors to proceed with an orderly restructuring of the Business (the “Restructuring”).

13. **THIS COURT ORDERS** that the Debtors shall provide each of the relevant landlords with notice of the Debtors' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtors' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtors, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtors' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtors and the Monitor 24 hours' prior written notice, and at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtors in respect of such

lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

~~44~~15. **THIS COURT ORDERS** that until and including ~~May 25~~June 5, 2026, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Debtors or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or their employees, advisors and representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

~~42~~16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are

permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

**4317.** **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, suspend, alter, accelerate, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

**4418.** **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with normal payment practices of the Debtors or such other practices as

may be agreed upon by the supplier or service provider and each of the Debtors and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

**4519.** **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Debtors. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST D&O PARTIES**

**4620.** **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors 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 with the directors and officers, the “**D&O Parties**”) with respect to any claim against the D&O Parties that arose before the date hereof and that relates to any obligations of the Debtors whereby any of the D&O Parties are alleged under any law to be liable in their capacity as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors, directly or indirectly, for the payment or performance of such obligations, until a Plan in respect of the Debtors,

if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court.

### **D&O PARTIES' INDEMNIFICATION AND CHARGE**

**4721.** **THIS COURT ORDERS** that the Debtors shall indemnify the D&O Parties against obligations and liabilities that they may incur as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors of the Debtors, directly or indirectly, after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any such D&O Party, the obligation or liability was incurred as a result of the D&O Party's gross negligence or wilful misconduct.

**4822.** **THIS COURT ORDERS** that the D&O Parties shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of US\$**1420.4** million, as security for the indemnity provided in paragraph **4721** of this Order. The D&O Charge shall have the priority set out in paragraphs **2933** and **3135** herein.

**4923.** **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) D&O Parties shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is

insufficient to pay amounts indemnified in accordance with paragraph ~~18~~21 of this Order.

#### **APPOINTMENT OF MONITOR**

20~~24~~. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Debtors with the powers and obligations set out in the CCAA or set forth herein and that the Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21~~25~~. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Debtors in their preparation of the Debtors' cash flow statements;

- (d) advise the Debtors in their development of the Plan and any amendments to the Plan;
- (e) assist the Debtors, to the extent required by the Debtors, with the holding and administering of creditors' and shareholders' meetings for voting on the Plan;
- (df) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;
- (eg) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (fh) perform such other duties as are required by this Order or by this Court from time to time.

2226. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

**2327.** THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the *Fisheries Act*, the *Nunavut Planning and Project Assessment Act* and the *Nunavut Safety Act*, and regulations thereunder (collectively, the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by any applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

**2428.** THIS COURT ORDERS that the Monitor shall provide any creditor of the Debtors with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been

advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

**2529.** **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees, advisors and representatives acting in such capacities shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

#### **ADMINISTRATION CHARGE**

**2630.** **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Debtors shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Debtors as part of the costs of these proceedings. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Debtors on a bi-weekly basis and, in addition, the Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Debtors, reasonable retainers *nunc pro tunc* to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

**2731. THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

**2832. THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Debtors' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US\$**25** million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs **3033** and **3235** hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

**2933. THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge ~~and the Administration Charge~~, (collectively, the "Charges") as among them, shall be as follows:

*First* – the Administration Charge (to the maximum amount of US\$**25** million); and

*Second* – the D&O Charge (to the maximum amount of US\$**1420.4** million).

**3034. THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all

purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

~~3135.~~ **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, ~~notwithstanding the order of perfection or attachment, provided that the Charges shall rank behind Encumbrances in favour of any Person that has not been served with notice of this Application. The Debtors and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on a subsequent motion, including, without limitation, on the Comeback Date, on notice to those Persons likely to be affected thereby.~~

~~3236.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Debtors also ~~obtains~~obtain the prior written consent of the Monitor, and the beneficiaries of the ~~D&O Charge and the Administration Charge~~Charges (collectively, the “Charges”), or further Order of this Court.

~~3337.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the “Charges”)~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of

insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Debtors of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Debtors pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

| **3438.** **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Debtors’ interest in such real property leases.

**SERVICE AND NOTICE**

**3539.** **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the *Globe and Mail* (National Edition), a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than \$1000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

**3640.** **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

**3741.** **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commerci>

al/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://cfcanada.fticonsulting.com/baffinland>.

**3842.** **THIS COURT ORDERS** that if the service, distribution or notice of documents in accordance with the Guide or the CCAA and the regulations thereunder is not practicable, the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the Debtors' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown in the books and records of the Debtors and that any such service, distribution or notice shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Eastern Time), (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. (Eastern Time), or (c) on the business day following the date of forwarding thereof, if sent by ordinary mail.

**3943.** **THIS COURT ORDERS** that the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as

may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Debtors' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

### **COMEBACK DATE**

~~40. THIS COURT ORDERS that the comeback motion shall be heard by a Commercial List Judge on May 25, 2026 (the "Comeback Date").~~

### **GENERAL**

4144. **THIS COURT ORDERS** that the Debtors or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

4245. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Debtors, the Business or the Property.

4346. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and

to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

**4447.** **THIS COURT ORDERS** that each of the Debtors and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

**4548.** **THIS COURT ORDERS** that any interested party (including the Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

**4649.** **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of ~~this Order~~ the Initial Filing Date and is enforceable without the need for entry and filing.

~~47.~~ **THIS COURT ORDERS** that ~~this Order is effective from today's date and is enforceable without the need for entry and filing.~~

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

**AMENDED AND RESTATED INITIAL ORDER**

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*Lawyers for the Applicants and Baffinland Iron Mines  
LP*

Court File No. —: CL-26-0000219-0000

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

THE HONOURABLE —  <u>MADAM</u> JUSTICE <del>—</del> <u>CONWAY</u>	) ) )	<del>WEEKDAY</del> <u>MONDAY</u> , THE # <u>25th</u> DAY OF <del>MONTH</del> <u>MAY</u> , <del>20YR</del> <u>2026</u>
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**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 ~~[APPLICANT'S NAME]~~ (the "~~Applicant~~") NUNAVUT  
IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION, AND  
12334992 CANADA INC.**

Applicants

**AMENDED AND RESTATED INITIAL ORDER**

**THIS APPLICATION**, made by ~~the Applicant~~, Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, and 12334992 Canada Inc. (collectively, the "Applicants") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order amending and restating the initial order issued by this Court on May 15, 2026 (the "Initial Filing Date"), was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by judicial videoconference.

**ON READING** the ~~affidavit of [NAME] sworn [DATE]~~ Application Record of the Applicants dated May 15, 2026 (the "Application Record"), the Affidavit of Celeste van Tonder sworn May 14, 2026 and the Exhibits thereto (the "Initial Van Tonder Affidavit"), the Motion Record of the Applicants dated May 20, 2026 (the "Motion Record"), the Affidavit of Celeste van Tonder sworn May 20, 2026 (the "Second Van Tonder Affidavit"), the consent of FTI Consulting Canada Inc. ("FTI") to act as the Court-appointed monitor of the Applicants (in such capacity, the "Monitor"), the

Pre-Filing Report of the Monitor dated May 14, 2026, the First Report of the Monitor dated [●], 2026 (the “First Report”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~<sup>1</sup>the Applicants and Baffinland Iron Mines LP (collectively, the “Debtors” and each a “Debtor”), counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service ~~of [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor~~filed,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application ~~and,~~ the Application Record, and the Motion Record, is hereby abridged and validated<sup>2</sup> so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Second Van Tonder Affidavit and that any words importing the singular include the plural and vice versa.

### **APPLICATION**

~~23.~~ **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a~~ companyApplicants are companies to which the CCAA applies. Although not an

<sup>1</sup>~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

<sup>2</sup>~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

Applicant, Baffinland Iron Mines LP shall enjoy the benefits of the protections and authorizations provided by this Order as if it were an “Applicant” hereunder.

## PLAN OF ARRANGEMENT

**34.** THIS COURT ORDERS that the ~~Applicant~~Debtors shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## POSSESSION OF PROPERTY AND OPERATIONS

**45.** THIS COURT ORDERS that the ~~Applicant~~Debtors shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the ~~Applicant~~Debtors shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the “**Business**”) and Property. The ~~Applicant is~~Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

**56.** ~~{~~THIS COURT ORDERS that the ~~Applicant~~Debtors shall be entitled to continue to utilize the central cash management system<sup>3</sup> currently in place as described in the

<sup>3</sup>~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

Initial Van Tonder Affidavit ~~of [NAME] sworn [DATE]~~ or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}]

67. **THIS COURT ORDERS** that the ~~Applicant~~Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay ~~and expenses~~, long-term incentive plan payments, short-term incentive plan payments payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the ApplicantDebtors in respect of these proceedings, at their standard rates and charges.

78. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ApplicantDebtors shall be entitled but not required to pay all reasonable expenses incurred by the ApplicantDebtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; ~~and~~
- (b) all amounts payable to Qikiqtani Inuit Association in accordance with the Benefits Agreement; and
- (~~bc~~) payment for goods or services actually supplied to the ApplicantDebtors following the date of this Order.

89. **THIS COURT ORDERS** that the ApplicantDebtors shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which

are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) ~~Quebec~~Northern Employee Benefits Services Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the ~~Applicant~~Debtors in connection with the sale of goods and services by the ~~Applicant~~Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Debtors.

910. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~**resiliated**<sup>4</sup> in accordance with the CCAA, the ~~Applicant~~Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater

<sup>4</sup>~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant Debtors and the landlord from time to time (“Rent”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

~~40~~11. **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant is~~Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant Debtors to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## RESTRUCTURING

~~41~~12. **THIS COURT ORDERS** that the Applicant Debtors shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~and~~ to dispose of redundant or non-material

assets not exceeding US\$•1,000,000 in any one transaction or US\$•5,000,000 in the aggregate<sup>5</sup>;

(b) ~~it~~ terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate~~];~~; and

(c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing~~;~~;

all of the foregoing to permit the ~~Applicant~~Debtors to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

~~12~~13. **THIS COURT ORDERS** that the ~~Applicant~~Debtors shall provide each of the relevant landlords with notice of the ~~Applicant's~~Debtors' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Debtors' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Debtors, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least

~~<sup>5</sup>Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

two (2) days' notice to such landlord and any such secured creditors. If the ~~Applicant disclaims [or resiliates]~~ Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, ~~it~~ they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the ~~Applicant's~~ Debtors' claim to the fixtures in dispute.

~~13~~14. **THIS COURT ORDERS** that if a notice of disclaimer ~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then ~~(a)~~ during the notice period prior to the effective time of the disclaimer ~~[or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~ Debtors and the Monitor 24 hours' prior written notice, and ~~(b)~~ at the effective time of the disclaimer ~~[or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~ Debtors in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE ~~APPLICANT~~ DEBTORS OR THE PROPERTY**

~~14~~15. **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~ June 5, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the ~~Applicant~~ Debtors or the Monitor or

their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ApplicantDebtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ApplicantDebtors or their employees, advisors and representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

4516. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the ApplicantDebtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ApplicantDebtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (ia) empower the ApplicantDebtors to carry on any business which the Applicant is Debtors are not lawfully entitled to carry on, (iib) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iiic) prevent the filing of any registration to preserve or perfect a security interest, or (ivd) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

4617. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, suspend, alter, accelerate, interfere with, repudiate, rescind, terminate or

cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by the ApplicantDebtors, except with the written consent of the ApplicantDebtors and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

4718. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ApplicantDebtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ApplicantDebtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ApplicantDebtors, and that the ApplicantDebtors shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ApplicantDebtors in accordance with normal payment practices of the ApplicantDebtors or such other practices as may be agreed upon by the supplier or service provider and each of the ApplicantDebtors and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

4819. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use

of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant Debtors. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.<sup>6</sup>

### PROCEEDINGS AGAINST ~~DIRECTORS AND OFFICERS~~ D&O PARTIES

1920. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant Debtors 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 with the directors and officers, the “D&O Parties”) with respect to any claim against the ~~directors or officers~~ D&O Parties that arose before the date hereof and that relates to any obligations of the Applicant Debtors whereby any of the directors or officers D&O Parties are alleged under any law to be liable in their capacity as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors, directly or indirectly, for the payment or performance of such obligations, until a ~~compromise or arrangement~~ Plan in respect of the Applicant Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant Debtors or this Court.

<sup>6</sup> ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

**~~DIRECTORS' AND OFFICERS~~ D&O PARTIES' INDEMNIFICATION AND CHARGE**

**2021.** THIS COURT ORDERS that the ~~Applicant~~ Debtors shall indemnify ~~its directors and officers~~ the D&O Parties against obligations and liabilities that they may incur as directors or officers ~~of the Applicant~~, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors of the Debtors, directly or indirectly, after the commencement of the within proceedings,<sup>7</sup> including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any ~~officer or director~~ such D&O Party, the obligation or liability was incurred as a result of the ~~director's or officer's~~ D&O Party's gross negligence or wilful misconduct.

**2122.** THIS COURT ORDERS that the ~~directors and officers of the Applicant~~ D&O Parties shall be entitled to the benefit of and are hereby granted a charge (the "~~Directors' D&O Charge~~")<sup>8</sup> on the Property, which charge shall not exceed an aggregate amount of US\$ 20.4 million, as security for the indemnity provided in paragraph ~~[20]~~ 21 of this Order. The ~~Directors' D&O~~ Charge shall have the priority set out in paragraphs ~~[38]~~ 33 and ~~[40]~~ 35 herein.

**2223.** THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or

<sup>7</sup> ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

<sup>8</sup> ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

claim the benefit of the ~~Directors'~~D&O Charge, and (b) ~~the Applicant's directors and officers~~D&O Parties shall only be entitled to the benefit of the ~~Directors'~~D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~[20]~~21 of this Order.

#### **APPOINTMENT OF MONITOR**

2324. **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Debtors with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant and its~~Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

2425. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) advise the Debtors in their preparation of the Debtors' cash flow statements;
- ~~(e) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- ~~(d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- (ed) advise the ~~Applicant in its~~ Debtors in their development of the Plan and any amendments to the Plan;
- (fe) assist the ~~Applicant~~ Debtors, to the extent required by the ~~Applicant~~ Debtors, with the holding and administering of creditors' ~~or~~ and shareholders' meetings for voting on the Plan;
- (gf) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~ Debtors, to the extent that is necessary to

adequately assess the Applicant's Debtors' business and financial affairs or to perform its duties arising under this Order;

(hg) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(ih) perform such other duties as are required by this Order or by this Court from time to time.

2526. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

2627. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or

the Ontario *Occupational Health and Safety Act*, the Nunavut Waters and Nunavut Surface Rights Tribunal Act, the Fisheries Act, the Nunavut Planning and Project Assessment Act and the Nunavut Safety Act, and regulations thereunder (collectively, the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by any applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

2728. **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~ Debtors with information provided by the ~~Applicant~~ Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~ Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~ Debtors may agree.

2829. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees, advisors and representatives acting in such capacities shall incur ~~ne~~ any liability or obligation as a result of its appointment or the carrying out of the

provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

### ADMINISTRATION CHARGE

~~29~~30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Debtors shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, ~~by the Applicant~~ whether incurred prior to, on or subsequent to the date of this Order, by the Debtors as part of the costs of these proceedings. The ~~Applicant is~~Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Debtors on a ~~[TIME INTERVAL]~~bi-weekly basis and, in addition, the ~~Applicant is~~Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the ~~Applicant, Debtors, reasonable~~ retainers ~~in the amount[s] of \$●-, respectively,~~ nunc pro tunc to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

~~30~~31. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~31~~32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant's~~Debtors' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed

an aggregate amount of US\$●5 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~33 and ~~[40]~~35 hereof.

### **DIP FINANCING**

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the~~

~~Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~

~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 90 days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give~~

~~other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and—~~

- ~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.—~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

#### VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

~~3833.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge and the ~~DIP Lender's~~D&O Charge, ~~(collectively, the "Charges")~~ as among them, shall be as follows<sup>9</sup>:

*First* – the Administration Charge (to the maximum amount of US\$●5 million); and

<sup>9</sup>~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

~~Second—DIP Lender's Charge; and~~

~~Third—Directors' Second – the D&O Charge (to the maximum amount of US\$●20.4 million).~~

3934. **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

4035. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

4136. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~ Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the ~~Applicant~~ Debtors also ~~obtains~~ obtain the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ Charges (collectively, the "Chargees"), or further Order of this Court.

4237. **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~Charges shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the~~ Charges (collectively, the "Chargees") ~~and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the ~~Applicant~~Debtors, and notwithstanding any provision to the contrary in any Agreement:

~~(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;~~

(a) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Debtors of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the

~~Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents;~~ and

- (c) the payments made by the ~~Applicant~~Debtors pursuant to this Order, ~~the Commitment Letter or the Definitive Documents,~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

~~4338.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Debtors' interest in such real property leases.

#### **SERVICE AND NOTICE**

~~4439.~~ **THIS COURT ORDERS** that the Monitor shall (ia) without delay, publish in ~~[newspapers specified by the Court]~~the Globe and Mail (National Edition), a notice containing the information prescribed under the CCAA, (ib) within five days after the date of this Order, (Ai) make this Order publicly available in the manner prescribed under the CCAA, (Bii) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Debtors of more than \$1000, and (Giii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the

prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

4541. **THIS COURT ORDERS** that the E-Service **ProtocolGuide** of the Commercial List (the “**ProtocolGuide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the **ProtocolGuide** (which can be found on the Commercial List website at ~~<https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 2413 of the **ProtocolGuide**, service of documents in accordance with the **ProtocolGuide** will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the **ProtocolGuide** with the following URL ~~‘<@>’~~: <https://cfcanada.fticonsulting.com/baffinland>.

4642. **THIS COURT ORDERS** that if the service-~~of,~~ distribution or notice of documents in accordance with the ~~Protocol-Guide~~ or the CCAA and the regulations thereunder is not practicable, the ~~Applicant and~~ Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding ~~true~~ copies thereof by prepaid ordinary mail, courier, personal delivery-~~or,~~ facsimile transmission or electronic message to the ~~Applicant's~~ Debtors' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown ~~on~~ in the books and records of the ~~Applicant~~ Debtors and that any such service-~~of,~~ distribution ~~by courier,~~ ~~personal delivery~~ ~~or facsimile transmission~~ or notice shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Eastern Time), (b) the next business day following the date of forwarding thereof, or if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. (Eastern Time), or (c) on the business day following the date of forwarding thereof, if sent by ordinary mail, ~~on the third business day after mailing.~~

43. **THIS COURT ORDERS** that the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Debtors' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be

in satisfaction of legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations (SOR/2013-221)*.

## GENERAL

**4744.** **THIS COURT ORDERS** that the **ApplicantDebtors** or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

**4845.** **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the **ApplicantDebtors**, the Business or the Property.

**4946.** **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the **ApplicantDebtors**, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the **ApplicantDebtors** and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the **ApplicantDebtors** and the Monitor and their respective agents in carrying out the terms of this Order.

**5047.** **THIS COURT ORDERS** that each of the **ApplicantDebtors** and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal,

regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

5148. **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

5249. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of ~~this Order~~the Initial Filing Date and is enforceable without the need for entry and filing.

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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.

Applicants

Court File No.: CL-26-0000219-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

PROCEEDING COMMENCED AT  
TORONTO

AMENDED AND RESTATED INITIAL ORDER

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**IN THE MATTER OF** the Companies' Creditors Arrangement Act, R.S.C. 1985, 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.

Applicants

Court File No. CL-26-00000219-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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PROCEEDING COMMENCED AT  
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**MOTION RECORD**

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