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

MOTION RECORD
(RETURNABLE JUNE 5, 2026)

June 3, 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 Friday June 5, 2026 at 11:00 AM, or as soon thereafter as the motion can be heard.

PROPOSED METHOD OF HEARING:

The motion is to be heard in-person at 330 University Avenue, Toronto, Ontario, (Court Room 8-1) and by video conference via Zoom at a link to be provided by the Court.

THE MOTION IS FOR:

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

   (a) extending the stay of proceedings (the "**Stay**") against the Applicants and Baffinland Iron Mines LP (collectively, the "**Debtors**") until August 28, 2026;

   (b) authorizing BIM Corp and Baffinland Iron Mines LP ("**BIM LP**") to borrow up to US$475 million in principal under a debtor-in-possession credit facility

(the "**DIP Facility**") from His Majesty in Right of Canada, as represented by Export Development Canada (the "**DIP Lender**");

(c) granting a charge in favour of the DIP Lender up to a maximum amount of $475 million (the "**DIP Charge**");

(d) approving the following priority of the charges: (i) Administration Charge; (ii) D&O Charge; and (iii) DIP Charge;

(e) granting a sealing order over certain information and a limited number of documents concerning the debtor-in-possession financing proposals considered by the Debtors;

(f) giving the Debtors the authority (but not the obligation) to pay certain pre-filing amounts with the consent of the Monitor; and such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE

Background

2. 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 operations at the Mine are carried out by BIM LP, through its general partner BIM Corp (together, "**Baffinland**"). Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people, including 300 Inuit employees.

3. The Debtors are currently in financial distress 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.

4. On May 15, 2026 an order (the "**Initial Order**") was made by this Court, among other things, granting the Debtors protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and appointing FTI Consulting Canada Inc. ("**FTI**") as the monitor of the Debtors (the "**Monitor**").

5. On May 25, 2026, the Initial Order was amended and restated (the "**ARIO**"). The ARIO, among other things, increased the amounts of the Administration Charge and D&O Charge (each as defined therein) and extended the stay of proceedings until June 5, 2026.

Approval of the DIP Facility and the DIP Charge

6. The Debtors request that this Court to approve the DIP Facility.

7. The Debtors require Court approval of the DIP Facility to continue operations at the Mine and Milne Port, to meet the Debtors' obligations as they come due, and to preserve the going-concern value of the Debtors' business throughout these CCAA proceedings.

8. The DIP Facility was selected following a robust, fair, and transparent DIP solicitation process conducted by the Monitor and the Debtors. Based on a careful

consideration of the benefits and risks associated with each of the DIP proposals received through that process, the Debtors ultimately determined that the DIP Facility was the best proposal available to the Debtors in their current circumstances.

9. The DIP Facility is necessary to provide the Debtors the necessary financing to allow them to continue to operate in the ordinary course, fund their upcoming critical sea lift expenditures and pursue a SISP for the benefit of all of their stakeholders. Without the DIP Facility the Debtors may be required to required to cease or curtail operations, which would have a devastating effect on the Debtors' creditors and other stakeholders.

10. The DIP Facility requires that all obligations of the Debtors thereunder be secured by the DIP Charge.

11. Any creditor that would be materially prejudiced as a result of the DIP Charge will be provided notice of this motion. The DIP Charge will not secure obligations incurred prior to the CCAA Proceedings.

Ranking of the Charges

12. The proposed priority ranking of the various charges sought by the Debtors is as follows:

(a) the Administration Charge;

(b) the D&O Charge; and

(c) the DIP Charge.

Extension of the Stay

13. The Debtors are requesting an extension of the Stay until August 28, 2026.

14. Since the outset of these CCAA proceedings, the Debtors have acted in good faith and made diligent efforts to stabilize their operations, continue the DIP solicitation process to ensure the continuation of the business and uninterrupted operations at the Mine.

15. An extension of the Stay for at least nine weeks from the date of the Second ARIO is a condition precedent to financing in the DIP Facility. Absent the funds made available from the DIP Facility, the Debtors will be cash negative as of the end of next week. Consequently, the Debtors will not be able to carry on business in the ordinary course absent an extension of the Stay for at least nine weeks.

16. If the DIP Facility is approved (or ultimately replaced by another facility), the Debtors will have sufficient funds to operate during the requested Stay extension.

Ability to Pay Pre-Filing Amounts with Consent of the Monitor

17. As part of the Second ARIO, the Debtors seek the ability to make certain pre-filing payments to certain third-party suppliers or service providers with the consent of the Monitor.

18. Given the unique nature of the Debtors' business and operations, the Debtors have no readily available means to replace certain third-party suppliers and service providers, whose continued cooperation is essential to maintaining their operations. In any event, such replacement is impractical and would be detrimental to the continued operation of the Mine.

19. The proposed form of Second ARIO provides that any such payments will only be made with the express consent of the Monitor and only to suppliers or service providers that the Monitor agrees are critical to the Debtors' business or property.

OTHER GROUNDS FOR THE MOTION

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

21. 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;

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

23. 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

24. The Affidavits of Celese van Tonder sworn May 14, 2026, May 20, 2026, and June 3, 2026 and the Exhibits referred to therein;

25. The Pre-Filing Report of the Monitor dated May 14, 2026, the First Report of the Monitor dated May 22, 2026, and the Second 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.

June 3, 2026

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Lawyers for the Applicants and Baffinland Iron Mines LP

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

NOTICE OF MOTION

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

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Applicants

AFFIDAVIT OF CELESTE VAN TONDER
(sworn June 3, 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 12334992 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 under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "**CCAA**"). I also swore an affidavit on May 22, 2026 (the "**Comeback Affidavit**") in support of the Applicants' motion for an amended and restated initial order under the CCAA.

4. This Affidavit is sworn in support of the Applicants' motion for a Second Amended and Restated Initial Order (the "**Second ARIO**"), among other things:

(a) extending the stay of proceedings against the Debtors until August 28, 2026;

(b) authorizing BIM Corp and BIM LP to borrow up to $475 million in principal under a debtor-in-possession credit facility (the "**DIP Facility**") from His Majesty in Right of Canada, as represented by Export Development Canada (the "**DIP Lender**");

(c) granting a charge in favour of the DIP Lender up to a maximum amount of $475 million (the "**DIP Charge**");

(d) approving the following priority of the charges: (i) Administration Charge; (ii) D&O Charge; and (iii) DIP Charge;

(e) granting a sealing order over certain information and a limited number of documents concerning debtor-in-possession financing proposals considered by the Debtors and information provided to the parties as part of the DIP Facility solicitation process; and

(f) giving the Debtors the authority (but not the obligation) to pay certain pre-filing amounts with the consent of the Monitor.

5. All dollar amounts in this Affidavit are expressed in United States dollars unless otherwise stated. Where I use capitalized terms that are not defined in this Affidavit, I am relying on the meanings given to those terms in the Initial Affidavit or the Comeback Affidavit, as applicable.

A. BACKGROUND AND OVERVIEW

(i) The Business of the Debtors

6. The Debtors are a group of affiliated entities engaged in iron ore mining operations at the Mary River mine (the "**Mine**"), which is located in the Qikiqtani Region of Nunavut on Baffin Island, Canada. The Mine has been in commercial production since 2015 and is one of the highest-grade iron ore mines in the world.

7. The Mine is located within the Arctic Circle, and approximately 1,000 kilometres northwest of Iqaluit, the capital of Nunavut. Baffin Island is the largest island in Canada but has a population of only around 19,000 people. The Mine is entirely self-contained and a significant contributor to the Nunavut economy, supporting Inuit communities and businesses that provide services to the Mine. As I explain below, the highly remote nature of the Mine is a key driver of the immediate funding needs of the Debtors.

8. The day-to-day operations at the Mine 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. Because of the Mine's unique location, employees have to be flown in for three-week rotations.

9. The Debtors' mining operations are centred on two main locations on Baffin Island: the Mine site; and a port at Milne Inlet. In the ordinary course of the Debtors' business, ore that is extracted from the ground and crushed at the Mine site is then transported by truck to the port at Milne Inlet, which is approximately 100 kilometres 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 the Debtors 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.

10. Milne Inlet currently serves as the sole export point for the Debtors' iron ore. Although iron ore production occurs year-round, 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.

11. Production from the Mine is also 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. 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 the Debtors have 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.

12. The Debtors have the necessary regulatory approvals to construct an approximately 150-kilometre railway from the Mine to a deep-water port at Steensby Inlet to the south, which would allow year-round (or near year-round) shipping (the "**Steensby Railway**"). 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.

13. The Debtors believe that the Steensby Railway is a critical element of the successful future of the Mine. That is because, once completed, the Steensby Railway would enable production and shipping of iron ore to increase to approximately 22 Mtpa (a substantial increase from the current cap of 4.2 Mtpa) and significantly reduce operating costs. Despite significant progress made on the financing for the Steensby Railway, including through Export Development Canada (as I explain below), the Debtors do not currently have sufficient capital committed to advance the project.

(ii) Financial Difficulties and CCAA Protection

14. Despite the rich mineral deposit at the Mine, and significant potential value that could be unlocked through the development of the Steensby Railway, the Debtors' financial distress is driven by several converging factors, including: (a) high debt-servicing costs; (b) significant capital expenditures and commitments incurred in connection with a proposed 110-kilometre railway running north, parallel to the Tote Road, to the port at Milne Inlet, which was ultimately rejected by the federal Minister of Northern Affairs; (c) constrained transportation and shipping limits imposed under their regulatory approvals; and (d) high operating costs. Notwithstanding significant cost-reduction and efficiency measures undertaken to increase profitability, the Debtors were unable to generate sufficient revenue to service their outstanding debt obligations and cover their high operating costs.

15. On May 15, 2026, an order (the "**Initial Order**") was made, among other things, granting the Debtors protection from their creditors under the *Companies' Creditors Arrangement Act* and appointing FTI Consulting Canada Inc. as monitor (the "**Monitor**").

16. On May 25, 2026, the Initial Order was amended and restated (the "**ARIO**"). The ARIO, among other things, increased the amounts of the Administration Charge and D&O Charge (each as defined therein) and extended the stay of proceedings until June 5, 2026. A copy of the ARIO is attached hereto as **Exhibit "A"**.

(iii) The Debtors' Request for DIP Financing

17. The Debtors' need for debtor-in-possession ("**DIP**") financing is driven largely by the Mine's remote location and unique operating context. Most of the personnel, goods, and services must be flown or shipped to the Mine. The cash flow generated from the Debtors' operations are insufficient to cover these costs. DIP financing is therefore required to fund operations at the Mine and Milne Port, to meet the Debtors' obligations as they come due, and to preserve the going-concern value of the Debtors' business throughout these CCAA proceedings. The Debtors lack the liquidity to fund their operations and the near- and long-term expenditures required to keep the Mine operational.

18. The need for the DIP Facility is particularly urgent because the Debtors are entering the most cash-intensive period of their annual operating cycle. The northern location of the Mine subjects the operations to severe climate-related constraints. Chief among these is the annual shipping window. Milne Port, the port through which nearly all materials are shipped to and from the Mine, is frozen for most of the year. Shipping vessels can only effect deliveries to and from the Port between mid-July and mid-October. This narrow window compels the Debtors to purchase the majority of the materials, supplies, and equipment needed for the upcoming year's

operations in the spring and early summer, generating substantial cash outlays beginning in June before shipments commence in July.

19. Without DIP financing, the Debtors will exhaust their available cash next week and will be unable to procure adequate goods and services necessary for ordinary course operations before the current shipping window closes. If sufficient materials cannot be shipped this summer, the Mine will be forced to curtail or cease operations entirely, numerous employees will need to be placed on leave, and stakeholder recoveries will be materially and adversely affected.

20. Since the commencement of the CCAA proceeding, the Debtors have advised the Court that they would need to seek DIP financing no later than the week of June 5, 2026. The urgency of securing proper DIP financing is compounded by the fact that certain sealift vessel operators have indicated they will not confirm necessary shipments unless and until a full DIP facility is in place, and many suppliers have advised that they will demand upfront cash payments until the DIP Facility is approved. Based on my ongoing discussions with the Debtors' suppliers, our suppliers want to see that the Debtors have properly stabilized their finances for at least the duration of the current shipping window before they will meaningfully engage with us. Short-term solutions will not suffice. In the interim, all of this is putting added pressure on the Debtors' already strained cash resources.

21. Following a robust, fair, and transparent DIP solicitation process conducted by the Monitor and the Debtors, three competing DIP financing proposals were provided. The Debtors ask that the Court to approve the EDC Proposal (defined below) as the DIP Facility. Based on a careful consideration of the benefits and risks associated with each of the proposals received during the DIP solicitation process, the Debtors ultimately determined that the EDC Proposal was the best proposal available to the Debtors in its current circumstances. I understand that the EDC Proposal also has the support of the Monitor. The EDC Proposal provides sufficient liquidity for the Debtors

to meet all of their near term payment obligations, allows the Debtors to pursue a value-maximizing sale and investor solicitation process, and contains less onerous terms than competing viable DIP proposals. The DIP solicitation process and the Debtors' principal reasons for selecting the EDC Proposal are addressed later in my Affidavit.

22. Since the outset of these CCAA proceedings, certain of the Debtors' secured lenders have indicated that they may object to the selection of any DIP Lender other than themselves. Indeed, the Debtors are aware from recent correspondence that certain secured lenders object to the proposed DIP Facility.

23. In recognition of these potential objections, the Debtors have attempted to balance their pressing need for liquidity and stability with the interests of its various stakeholders. As such, the Debtors, in consultation with the Monitor, sought and obtained DIP proposals from all bidders that included bridge financing for the first four weeks following the date of any Second ARIO. The EDC Proposal that the Debtors seek approval of in connection with the Second ARIO makes $110M available to the Debtors for the first four weeks following the date of the Second ARIO. During this four-week bridge period, the Debtors are required to pay only interest and out of pocket legal expenses of the DIP Lender. There is no exit fee or penalty if, for some reason, the DIP Facility is replaced with a different facility during this four-week window. This means that if the DIP Facility is replaced with a different DIP facility within the four-week period, there is little, if any, prejudice to other stakeholders associated with the approval of the DIP Facility that is currently being sought by the Debtors.

24. Put simply, the approval of the proposed Second ARIO and the terms of the DIP Facility are without prejudice to the claims of any objecting stakeholders because the DIP Facility can be replaced in its entirety without attracting any exit or other additional fees. Moreover, the Debtors

are prepared to work collaboratively with stakeholders to reasonably address their concerns and, if necessary, set a schedule for the timely adjudication of any objections to the DIP Facility.

B. THE DEBTORS' ACTIVITIES SINCE THE ARIO

25. Since the ARIO was granted, the Debtors, in close consultation with, and with the assistance of, the Monitor have continued to work in good faith and with due diligence to stabilize their business and operations.

(i) *Stakeholder Communications*

26. The Debtors, with the assistance of the Monitor, have been in regular contact with their stakeholders and suppliers in this CCAA proceeding, including regarding ongoing supply terms.

27. As explained in my Initial Affidavit, the Debtors have obligations outstanding under 19 letters of credit associated with, among other things, the Debtors' commercial lease with the Qikiqtani Inuit Association (the "**QIA**") and the Debtors' water licence. The commercial lease and water licence are both critical to the Debtors' operations. The letters of credit provide financial assurance for the funding of environmental remediation costs in the event the Debtors abandon the Mine or Milne Port (the port from which materials are currently shipped to and from the Mine).

28. On May 29, 2026, counsel for the QIA sent a letter to counsel for the Debtors. Part of that letter reiterates the QIA's concerns regarding the extension of the letters of credit. The letter also indicates that the QIA seeks payment from the Debtors of certain pre-filing amounts, certain amendments to the ARIO, and certain consultation rights. A copy of this letter is attached hereto as **Exhibit "B"**. The Debtors, the Monitor, and counsel for the Debtors and the Monitor are continuing to engage with the QIA on these issues in good faith. While the issues in the QIA's letter are continuing to be discussed, the Debtors have made certain changes to the Second ARIO to provide the QIA with additional comfort that amounts payable under the Benefits Agreement

and the Debtors' commercial lease with the QIA (under which the Debtors access Inuit-owned land for is operations) will continue to be paid.

29. In addition, the Debtors have been engaged in ongoing discussions with the issuing banks associated with the letters of credit. Based on those discussions, I understand that the letters of credit identified in the letter sent on May 29, 2026 have, or will be extended.

(ii) *Offtake Agreements*

30. To secure ongoing cash-flow, and mitigate the seasonality of shipping, the Debtors have entered into offtake agreements with IRH Global Trading Ltd. ("**IRH**"). The Debtors rely on IRH for nearly all of their cash-flow, as IRH purchases all iron ore stockpiled at Milne Port. As described in my Comeback Affidavit, under the Offtake Agreements, iron ore is transported from the Mine to Milne Port and deposited onto a stockpile, at which point title transfers to IRH. Upon title transfer, IRH purchases the iron ore from the Debtors and subsequently resells it to end customers. This is the Debtors' sole source of operating cash flow. Following the issuance of the Initial Order, the Debtors, in consultation with the Monitor, confirmed to IRH that operations at the Mine and Milne Port are expected to continue without disruption and that the Debtors intend to continue performing their obligations under the Offtake Agreements in the ordinary course.

31. In my Comeback Affidavit, I explained that the Debtors had invoiced IRH on May 19, 2026 for iron ore placed on the stockpile at Milne Port during the first half of the month. I also explained that the Debtors had no reason to believe that IRH would not pay the amount outstanding under that invoice. IRH paid the May 19, 2026 invoice in full on May 26, 2026.

32. The payments under the Offtake Agreements do not provide the Debtors with sufficient operating cash flow to make all of the payments needed to sustain its business operations.

33. The offtake arrangements are entered into annually and the current term expires on October 31, 2026.

(iii) ***Fuel Arrangements***

34. As described in my Initial Affidavit, operations at the Mine depend on the supply of specialized arctic diesel and jet fuel. These fuels can only be delivered by sea during the limited shipping window that arises each year from approximately mid-July to mid-October. Outside of this limited window, shipments by sea (also referred to as “sealifts”) to Milne Port and the Mine are not possible because the arctic sea at Milne Inlet freezes. Shipment of the required fuel by air is prohibitively expensive. In any event, the basic airstrip at Milne Port would likely not accommodate the landing and departure of the types of aircraft necessary to deliver large quantities of arctic diesel and jet fuel by air.

35. Consequently, all of the fuel required for operations at the Mine and Milne Port for the entire year must be delivered during the limited shipping window. These shipments typically arrive in three deliveries in July, August and September, respectively.

36. The Debtors must secure fuel supply arrangements well ahead of these dates because the fuel provider must source the underlying volumes and shipping vessels well in advance of the first delivery in July. As previously noted, 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 fair, commercial, and market terms.

37. In this regard, BIM LP (one of the Debtors) is party to a Right to Supply Fuel and Advisory Services Agreement dated November 24, 2025 (the "**Fuel Supply Agreement**") with Hartree and Kildair Services ULC (“**Kildair**”), an entity indirectly controlled by Hartree Partners GP, LLC (one of the secured creditors of the Debtors). 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 the Debtors for its operations at the Mine and Milne Port at prevailing market prices. Under the Fuel Supply Agreement, Hartree is entitled to an advisory fee equal to 2% of the fully loaded cost of all fuel purchased for operations at the Mine and Milne Port (excluding taxes and financing costs), plus 50% of any cost savings relative to the 2025 fuel price index, subject to certain adjustments. There is a guaranteed minimum advisory fee payable under the Fuel Supply Agreement of $1.75 million per year and $15 million in aggregate over the term of the Fuel Supply Agreement.

38. Both before and after the date of the Initial Order, the Debtors actively engaged with potential counterparties to secure the required specialized arctic diesel and jet fuel volumes that must be shipped during the 2026 shipping window. On May 18, 2026, the Debtors issued a request for final proposals from these potential suppliers.

39. Having received and evaluated the proposals submitted by potential fuel suppliers, the Debtors determined that the fuel supply offer from Kildair during the 2026 shipping window was the best offer available in the circumstances. The Debtors accordingly entered into a new fuel supply agreement with Kildair.

40. The Debtors and Kildair agreed that Kildair's supply of fuel during the 2026 shipping window is not subject to the terms or conditions of the Fuel Supply Agreement. No "advisory fees" are payable in respect of the fuel the Debtors secure from Kildair in 2026.

41. Although the Debtors have now secured their fuel supply for the 2026 shipping season, they require funds from the DIP Facility to make the payments that will shortly become payable to Kildair under their new fuel supply arrangement.

C. NEED FOR DIP FINANCING

42. The Debtors require Court approval of the DIP Facility to continue operations at the Mine and to fund the costs of these CCAA Proceedings. As described above, the Mine is one of the northernmost mining operations in the world, located within the Arctic Circle on Baffin Island in the Qikiqtani Region of Nunavut. Most supplies, fuel, equipment, and materials necessary for an entire year of operations must be delivered during a narrow shipping window from mid-July to mid-October, when the arctic sea at Milne Inlet briefly thaws to permit vessel access. The workforce operates on a fly-in/fly-out basis from across Canada, and the Debtors are reliant on a small number of highly specialized suppliers capable of operating in the Arctic environment.

43. The Debtors' primary source of operating cash flow are receipts under the Offtake Agreements with IRH. However, the revenues generated from these offtake payments are insufficient to cover the Debtors' fixed operating costs at current transportation and shipping levels that are capped at 4.2 Mpta. This structural shortfall is compounded by the substantial cash outlays that far exceed revenues during the June to September period each year to procure materials and secure sealift vessels.

44. 44. The need for the DIP Facility is particularly acute because the Debtors are entering the most cash-intensive period of their annual operating cycle where they will have to make significant expenditures and commitments for sealift materials and equipment, the purchase and shipment of specialized arctic diesel and jet fuel (the exact amount will vary based on the prevailing commodity prices near the time of shipment), labour costs, and vendor expenses. In addition, the Debtors need to make commitments for other expenditures in the ordinary course of business. As explained above, certain sealift vessel operators have indicated that they will not confirm shipments unless and until a full DIP Facility is in place, and many suppliers have advised that they will demand upfront cash payments until the DIP Facility is approved.

45. The Debtors have deferred entering into contracts and procuring goods that would ordinarily have been in place at this point in the year, owing to a reluctance to assume commitments they may be unable to satisfy. A DIP Facility is needed to enable the Debtors to enter into those contracts and make commitments for the upcoming weeks.

46. The consequences of not getting approval of the DIP Facility would be significant. Absent the DIP Facility, the Debtors will have a negative cash balance as of the end of next week and will be unable to continue operations, maintain their assets, or complete any value-maximizing transaction. If the Debtors cannot procure sufficient materials via sealift from July to October 2026, the Mine will be forced to curtail or cease operations entirely and a significant number employees may need to be placed on leave. Baffinland is the largest private sector employer in Nunavut, employing approximately 1,200 people, including approximately 300 Inuit employees. A disruption to the Mine would have far-reaching consequences not only for creditors and stakeholders, but also for the Inuit communities, Inuit businesses that provide services to the Mine, the workers who depend on the continued operation of the Mine, and the broader Nunavut economy. Moreover, if these events were to transpire, recoveries for stakeholders would be materially and adversely impacted.

47. The Cash Flow Forecasts attached to the Monitor’s Second Report demonstrate that the Debtors lack the liquidity to fund their operations and the near- and long-term expenditures required to keep the Mine operational. The DIP Facility was sized to address the Debtors' liquidity needs during these CCAA Proceedings based on the Cash Flow Forecasts. Without approval of the DIP Facility, the Debtors will not have the funds to operate the Mine and Milne Port over the next year. The DIP Facility is thus both appropriate and necessary to preserve the going-concern value of the Debtors' business and to maximize recoveries for all stakeholders.

D. THE DIP FACILITY

48. The Debtors are asking this Court to approve the EDC Proposal as the DIP Facility to allow the Debtors to meet their cash flow requirements during the CCAA proceeding.

49. The primary terms of the term sheet of the selected DIP Facility (*i.e.*, the EDC Proposal) are summarized immediately below:

Summary of Key Terms of EDC Proposal	
DIP Lender	His Majesty in Right of Canada, as represented by EDC
Maximum DIP Facility Amount	$400M revolving facility, upsized to $475M if an offtake agreement is not in place for 2026/2027
Interest and Fees	Citibank prime rate + 4.75% per annum (currently approximately 11.5% in aggregate) Upfront fee of 2% of the total Facility Amount Commitment Fee of 1.5% payable on the average Unused Commitment, which does not include the additional $75M of availability unless or to the extent the DIP Facility is upsized
Security/ Charge	DIP Facility and Obligor indemnification obligations to be included in the DIP Charge which will have priority over all encumbrances other than the Administration Charge, the D&O Charge and cash collateral posted as security for letters of credit
Permitted Variance	Variances of not more than 10% from the aggregate net cash flow covered by the then current Approved Cash Flow on a cumulative basis
Maturity	1 year after the Second ARIO, with a six-month extension if a Restructuring Transaction has been approved by the court in exchange for a fee of 1% of the Facility Amount
Other Material Provisions	Option to use up to $75M of the upsized availability to provide credit support to a potential offtaker if necessary to maintain or replace offtake arrangements. $110M bridge available for the first 4 weeks following the date of the Second ARIO. Only interest and out of pocket legal expenses of the DIP Lenders are payable in connection with the Bridge Advance if it is refinanced within 4 weeks

50. As explained in greater detail below, the DIP Facility that the Debtors ask the Court to approve is the EDC Proposal (as defined below). The Debtors selected the EDC Proposal for the following principal reasons:

(a) The EDC Proposal secures a highly credible, well-capitalized lending partner whose reputation is expected to instil confidence among stakeholders. Critically, EDC's interests are fundamentally aligned with those of the Debtors and their broader stakeholder community, ensuring that the restructuring process is driven toward an outcome that maximizes value for all parties rather than serving the narrow objectives of any single constituency.

(b) The EDC Proposal provides far greater funding certainty relative to the next most viable proposal and does not impose an unreasonable set of covenants and controls which would result in a significant risk of non-compliance by the Debtors.

(c) The EDC Proposal allows management to focus on operating the business and advancing a SISP and does not impair the Debtors' operational flexibility during the CCAA proceeding nearly to the same extent as the next most viable proposal.

(d) The EDC Proposal does not provide the DIP Lender with a disproportionate amount of control over the CCAA proceeding and SISP. Moreover, the DIP Lender is aligned with the Debtors' objectives of maximizing value for the benefit of all stakeholders. It is manifestly not a strategic party in the Debtors' CCAA proceeding.

(e) The EDC Proposal provides $110 million in immediate bridge financing to allow the Debtors to meet their immediate cash needs without any exit or commitment fee. This feature of the EDC Proposal ensures that to the extent there is a dispute about whether EDC should prevail as the ultimate DIP lender, the parties opposed to the EDC Proposal can adjudicate their concerns without causing undue prejudice to any party.

(f) The EDC Proposal is cost competitive with the other proposals received in terms of the costs of borrowing.

(g) The EDC Proposal provides the Debtors with certainty as to the identity of their lender and does not impose additional administrative hurdles in obtaining approvals from a broad base of disparate lenders.

(h) The EDC Proposal provides the largest loan facility among the three bidders which provides the greatest flexibility to the Debtors and increased certainty that the Debtors will be able to continue operating in the ordinary course throughout the CCAA proceeding. This, in turn, should provide for the greatest opportunity to enhance value for all stakeholders.

E. THE DIP SOLICITATION PROCESS

(i) *Pre-Filing Solicitation Process*

51. To address the Debtors' anticipated liquidity needs during these CCAA proceedings, FTI, in its capacity as the Debtors' financial advisor, commenced a competitive debtor-in-possession financing solicitation process (the "**DIP Process**"). I understand that the DIP Process will be addressed in the Monitor's Second Report.

52. Prior to the commencement of the CCAA proceedings, FTI contacted four parties to solicit their interest in providing a DIP facility to the Debtors: (a) Opps XII BLIM Holdings, L.P., an entity affiliated with Oaktree Capital Management LP ("**Oaktree**") and Hartree Partners, LP ("**Hartree**"), the Debtors' secured lenders under a working capital facility; (b) Export Development Canada ("**EDC**"), the Debtors' secured lenders under a term loan facility; (c) JP Morgan Chase; and (d) the Royal Bank of Canada. The holders of secured notes issued by Baffinland due 2026 (the "**2026 Notes**") were not approached in the pre-filing DIP Process because the Debtors were, at

that time, pursuing efforts to recapitalize the 2026 Notes. Had those recapitalization efforts succeeded, the Debtors hoped that the commencement of these CCAA proceedings would not have been necessary.

53. Each party was provided with a form of non-disclosure agreement (each, an "**NDA**") on or about April 30, 2026. EDC signed its NDA on May 8, 2026. JP Morgan signed an NDA on May 6, 2026. RBC ultimately did not sign an NDA. Oaktree/Hartree did not sign an NDA until May 23, 2026, despite having received a draft on April 30, 2026.

54. As described above, the Debtors filed for CCAA protection on May 15, 2026 without DIP financing in place. Although one non-binding DIP proposal had been received prior to filing, it was not capable of execution. This was primarily because it did not include any economic terms and contained onerous terms and conditions. Ultimately, the Debtors, in consultation with FTI, determined that the Debtors had sufficient cash flow to allow them to commence CCAA proceedings and that the Debtors' financial circumstances and defaults under the senior secured debt warranted an immediate filing, with a renewed DIP Process to be launched after the Initial Order was granted. At the Initial Order hearing, the Debtors advised the Court that they would seek approval of DIP financing at the comeback hearing scheduled for May 25, 2026.

(ii) Post-Filing DIP Process

55. Following the commencement of the CCAA Proceedings, the Monitor initiated a post-filing competitive DIP Process. I understand that on or around May 15, 2026, the Monitor sent a DIP solicitation letter to six prospective bidders, including JP Morgan, RBC, EDC, Oaktree and Hartree, certain holders of the 2026 Notes (the "**Ad Hoc Group**"), and IRH, substantially in the form attached as **Exhibit "C"** to this Affidavit (the "**Process Letter**"). The Process Letter invited parties to submit final, executed bridge financing term sheets, together with a draft form of term sheet prepared by the Debtors, by 5 p.m. on May 20, 2026.

56. The Process Letter advised that the Debtors, in consultation with the Monitor, would evaluate proposals based on various factors, including the size of each proposed bridge financing facility, the cost of borrowing, and the terms, conditions, covenants, and events of default. The Process Letter further advised that the Monitor and the Debtors may seek clarification or negotiate amendments following receipt of any proposal prior to selecting any DIP facility.

57. Also on or about May 15, 2026, parties who had not previously signed NDAs were provided with forms of NDA, or in the case of Oaktree/Hartree, reminded to return the forms previously provided. IRH received a form of NDA on May 16, 2026 and returned it signed on May 18, 2026. Houlihan Lokey, the financial advisor to the Ad Hoc Group, executed an advisory NDA on May 17, 2026. The Ad Hoc Group themselves expressed concerns that receipt of material non-public information through the DIP Process would impair their ability to trade the 2026 Notes. They refrained from signing an NDA until May 25, 2026, pending resolution of issues relating to the cleansing of non-public information. As noted above, Oaktree/Hartree did not sign an NDA until May 23, 2026.

58. Parties that executed NDAs were promptly provided with confidential materials of the Debtors shortly after they executed their respective NDA. The confidential materials summarized the Debtors' funding requirements during the CCAA proceedings and other pertinent information, including a proposed DIP budget (the "**DIP Budget**"), a corporate presentation, 13-week cash flow forecasts and a draft DIP term sheet. The DIP Budget and corporate presentation contain material non-public and commercially sensitive information and are attached to this Affidavit as **Confidential Exhibit "D".** The 13-week cash flow forecasts and draft DIP term sheet are attached as **Exhibit "E".**

59. I participated in a meeting on May 16, 2026 at which the Debtors shared what they reasonably could with Oaktree/Hartree given the absence of a signed NDA; however we could

not send the DIP Budget to Oaktree/Hartree at that time because they had not yet signed an NDA. In any event, both EDC and Oaktree/Hartree had, in their capacity as lenders to the Debtors, received prior iterations of a potential DIP budget over the preceding months outside of the DIP Process and as such are familiar with the financial affairs of the Debtors.

60. The Ad Hoc Group were the only party that did not receive the full DIP Budget and corporate presentation. Because the 2026 Noteholders wished to continue trading the 2026 Notes, they indicated that they did not want to be in receipt of material non-public information contained in those materials (other than the 13-week cash flows). Instead, at the request of the Ad Hoc Group, this information was provided to Houlihan Lokey (the financial advisors to the Ad Hoc Group) on May 17, 2026, pursuant to a NDA executed by Houlihan Lokey on May 16, 2026.

61. Given the significant interest in providing DIP funding expressed by prospective lenders, the Monitor, in consultation with the Debtors, extended the bid submission deadline to 5 p.m. on May 25, 2026. This extension was granted to provide the bidders with additional time to prepare their best proposals and to help ensure a more robust and competitive process. I advised the Court of this extension in my Comeback Affidavit.

62. On May 25, 2026, the Debtors received three DIP term sheets: one from His Majesty in Right of Canada as represented by EDC, one from IRH, and a joint-proposal from Oaktree/Hartree and certain of the Ad Hoc Group.

63. Following receipt of the DIP term sheets, the Debtors and their counsel, in consultation with the Monitor, reviewed and discussed the comparative benefits and risks associated with the three proposals. Through those discussions, the Debtors identified certain issues that warranted further discussion and engagement with each of the bidders. In an effort to ensure fair and equitable treatment among the three bidders participating in the DIP solicitation process, each

bidder was provided with a list of issues applicable to their bids on May 27, 2026, and asked to respond by May 27, 2026 at 3 p.m.

64. Each of the bidders provided responses by the requested deadline.

65. Following receipt of the bidders' responses to the issues that had been identified, the Debtors reviewed and discussed the responses with the Monitor. Through those discussions, the Debtors (through their counsel) provided each of the bidders with comments on their respective term sheets in the form of marked-up term sheets. Those mark-ups reflected the Debtors' attempt to conform the term sheets to better assess comparability and reflected consistent asks on economics, timing and covenants. At the same time, each bidder was asked to return its best and final terms by no later than May 30, 2026 at 2 p.m.

66. I am advised by our counsel that the Debtors informed each bidder that this would be the final set of terms considered by the Debtors prior to the selection of the successful DIP Proposal. I also understand that counsel for the Debtors advised each bidder that the Debtors remained available to address any questions in advance of the deadline. Indeed, on May 29, 2026, I and other representatives of the Debtors met with each prospective bidder and provided them with further information in response to their questions and requests for information.

67. Although Oaktree/Hartree provided their updated bid at 4:30 p.m. on May 30, 2026 rather than by the 2 p.m. deadline, the Debtors and the Monitor did not disqualify their updated bid and proceeded to consider it on the same basis as the bids that were delivered on time.

68. Between May 15, 2026 and May 30, 2026, the date on which final bids were submitted, I participated in at least 14 meetings with prospective bidders to discuss the Debtors' business and finances. Representatives of the Debtors made themselves available to prospective bidders

throughout the DIP Process and promptly responded to information requests, having regard to the tight timelines imposed by the DIP Process and the Debtors' imminent liquidity needs.

69. Following receipt of the final bids on May 30, 2026, the management team of the Debtors, including their Operating Committee which has authority to approve the selection of the DIP facility, consulted with their advisors and counsel on the selection of the best bid available to the Debtors in the circumstances. In consultation with the Monitor and its counsel, and the Debtors counsel, and following extensive consideration and analysis, the Operating Committee exercised their business judgment to select the EDC Proposal as the DIP Facility.

70. After the EDC Proposal was selected as the DIP Facility, counsel for the Debtors and counsel for the Monitor engaged with counsel for EDC to clarify certain ambiguous or seemingly erroneous language in the EDC Proposal. The clarifications made to the EDC Proposal during this brief time period confirmed the Debtors' selection of the EDC Proposal as the best proposal available in the circumstances. A blackline of the final EDC Proposal the Debtors ask this Court to approve as compared to the EDC Proposal that was received on May 30, 2026 is attached hereto as **Exhibit "F"**.

F. ASSESSMENT OF THE DIP PROPOSALS

(i) *DIP Proposals Received on May 30, 2026*

71. The Company ultimately received three proposals for DIP financing on May 30, 2026 in connection with the DIP Process described above:

(a) a DIP financing proposal dated May 30, 2026 from IRH (the "**IRH Proposal**");

(b) a DIP financing proposal dated May 30, 2026 from a syndicate of lenders (the "**Oaktree Proposal**"); and

(c) the EDC Proposal.

72. Attached as **Confidential Exhibit "G"** is a copy of each of the three bids received as part of the competitive DIP Process.

73. The Debtors have selected the EDC Proposal as the best DIP Facility available to the Debtors in the circumstances. The principal reasons underpinning the Debtors' assessment of each Proposal is explained below. There are numerous other reasons informing the Debtors' assessment of each Proposal which are not described in this Affidavit for the sake of brevity.

74. The Monitor advised the Debtors that it believed that the IRH Proposal did not include terms that provided the Debtors with sufficient certainty in their ability to obtain timely access to funds from IRH. Given the critical operating window the Debtors are currently facing because of the time-limited shipping window described above, certainty around the Debtors' timely access to funding is of paramount importance. In the circumstances, the Debtors agreed with the Monitor's assessment and did not support the selection of the IRH Proposal.

75. Although there are drafting differences between the Oaktree and EDC Proposals on any number of matters, the Debtors' main criteria for assessing the Oaktree and EDC Proposals included the following:

(a) funding risk and flexibility of the loan;

(b) the cost of borrowing to the Debtors;

(c) the Debtors' ability to operate in the ordinary course of business and maximize stakeholder value during the CCAA proceeding, including through the implementation of a SISP;

(d) the ability of the Debtors to perform their obligations under the loan facility in the ordinary course of business;

(e) certainty concerning the identity of lenders and counterparty risk more generally; and

(f) the stability provided by the DIP Proposal and whether it would inspire stakeholder confidence.

76. The Oaktree Proposal, while offering a modestly lower headline interest rate, was more restrictive in nearly every other dimension. In the judgement of the Debtors, the combination of, among other things, subjective events of default and covenants, the near absence of cure periods, and the controls exerted over the CCAA proceeding and the SISP process, would create substantial operational and funding risk. For instance, the Oaktree Proposal included no materiality qualifier on covenant compliance, and an event of default would be triggered by any event or occurrence that, in the sole discretion of the lenders, would materially adversely affect the Debtors, their business, or their assets, in each case taken as a whole. Moreover, the several (not joint) liability structure and broad syndication rights further compounded the uncertainty of available funding.

(ii) The EDC Proposal

77. As described in greater detail below, the Debtors identified the EDC Proposal as the successful bid because, in its considered judgment, the EDC Proposal stands to provide a facility with greater flexibility and funding certainty, simpler compliance requirements, and greater stability. The Debtors believe that it will allow management to focus on operating the business and advancing a SISP for the benefit of all of their stakeholders without being distracted by constant negotiations with the DIP lender over compliance with onerous terms. It also signals to

the Debtors' stakeholders that there is Government of Canada support for the Mine and its going-concern.

(a) Flexibility and Funding Certainty

78. In the exercise of their business judgement, the Debtors concluded that the EDC Proposal provides a loan facility that gives more flexibility to the Debtors and provides more certainty that the Debtors' liquidity needs will be met over the course of the CCAA proceeding as compared to the Oaktree Proposal. In this regard, the EDC Proposal provides the Debtors with a loan facility of up to $475 million, comprised of two portions. The first portion is a revolving facility of up to $400 million.[1]

79. The second portion is a contingent facility of up to $75 million that is made available if IRH fails to make payments under the Offtake Agreements and/or if a new offtake arrangement is not entered by September 30, 2026. As noted above, the Offtake Agreements provide the Debtors with their primary source of operating cash flow and those agreements expire in October 2026. The Debtors believe that this contingent facility in the EDC Proposal provides meaningful protection against the Debtors' offtake risk, for the benefit of all stakeholders.

80. In particular, to provide the Debtors with additional flexibility in the event the Offtake Agreement is not renewed by September 30, 2026 (or in the event of non-payment under the Offtake Agreements), the DIP Facility allows the Debtors to either draw down this contingent facility directly or, not draw some portion or all of such facility and instead offer up such undrawn amount as credit support to attract a potential new offtaker to secure a continued source of operating cash flow.

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[1] Commitment Fee of 1.5% is payable on the average Unused Commitment, which does not include the additional $75M of availability unless or to the extent the DIP Facility is upsized.

81. Further, in the judgment of the Debtors, the overall quantum of the EDC Proposal provides additional flexibility and funding certainty. Although the Debtors requested a loan facility of up to $300 million, the Debtors believe that there is significant additional stability and predictability associated with accepting the larger loan facility in the EDC Proposal. A larger facility provides a critical cushion against unforeseen shifts in commodity markets, including fluctuations in commodity prices, fuel costs, and other input expenses, that could materially increase operating expenditures beyond current projections. Without this additional headroom, the Debtors could be exposed to the risk of a liquidity shortfall at a time when their ability to access alternative financing on reasonable terms is severely constrained by the CCAA proceeding. In this respect, I note that the DIP Budget that was shared with each of the proposed DIP Lenders contemplated expenditures until the end of 2027 that exceeded $300 million. Moreover, all prospective bidders were advised that the financial model supporting the Debtors' request for a DIP facility of $300 million did not account for key-employee retention plans or DIP advisor fees and expenses. In light of the foregoing, the EDC Proposal recognizes that the Debtors may have a need for flexibility in their ordinary course operations over the next several months as the CCAA proceeding continues to unfold.

82. The larger facility also provides the Debtors with greater predictability and stability, ensuring that funds will be available if operational costs deviate from projections without the need to seek additional financing outside of a competitive process on potentially more onerous terms. In the context of a CCAA proceeding, where market conditions can shift rapidly and the Debtors' bargaining position with respect to incremental financing is inherently weaker, the certainty afforded by a larger committed facility is a material advantage. The additional capacity serves as a buffer for the Debtors' ongoing operations, reducing the likelihood of disruption and providing stakeholders with confidence that the restructuring can proceed in an orderly manner regardless of short-term market volatility.

(b) Ability to Operate the Business and Maximize Value for Stakeholders

83. The EDC Proposal is also preferable in light of the less onerous representations, covenants, and events of default demanded by the proposed DIP Lender. Taken together, the overall effect of these terms in the EDC Proposal provides the proposed DIP Lender with some but not a disproportionate level of control over the CCAA Proceedings, the SISP, and the operations of the business. The Mine's operations, including its procurement and sealift activities, are highly technical and specialized in nature. The EDC Proposal preserves the Debtors' ability to manage and operate the business by drawing on their institutional knowledge and expertise. In the aggregate, the Debtors assessed that there was a significantly lower risk of the Debtors being unable to comply with the terms of the EDC Proposal as compared to the Oaktree Proposal.

84. Although both the EDC and Oaktree Proposals allow the loan facility to be used only in accordance with the “Approved Cash Flow” subject to “Permitted Variances”, the definition of “Permitted Variances” is markedly more flexible under the EDC Proposal. The Debtors will be more capable of complying with these funding requirements, thereby reducing the compliance burden on the business. The Debtors anticipate that this flexibility will allow management to focus on operating the business rather than being distracted by repeated requests to their lenders for waivers, or worse, being in default. The importance of flexible variance thresholds is heightened by the Debtors' significant exposure to commodity price risk. Key inputs and outputs of the Mine's operations are subject to commodity price fluctuations. These fluctuations could easily produce meaningful variances between the Approved Cash Flow projections and actual results, even where management has operated the business prudently, in the ordinary course, and in accordance with the approved budget. A more restrictive definition of Permitted Variances would expose the Debtors to the risk of technical non-compliance driven not by mismanagement or unusual operations, but rather by exogenous market movements beyond their control.

(c) Identity of the Lender

85. The identity of the counterparty under the EDC Proposal was a significant factor in the Debtors' selection of the DIP Facility. Funding under the EDC Proposal is backstopped by the Government of Canada. There can be no question that the Government of Canada has the financial capacity to honour the full commitment under the EDC Proposal. This stands in contrast to other potential lenders whose obligations to fund are several and not joint, and their ability to fund may be subject to contingencies. These uncertainties could imperil the Debtors' access to liquidity at a critical juncture and impose additional administrative burdens associated with securing approvals from a diffuse lender group.

(d) Stability and Stakeholder Confidence

86. The selection of the EDC Proposal aligns the interests of the Debtors with those of their principal regulator. Continuing to have the Government of Canada as a direct financial stakeholder in the Debtors' restructuring means that the Government's interests will be more closely aligned with the successful expansion and development of the Debtors' business - an alignment that the Debtors believe will yield tangible benefits as the CCAA proceedings advance and the SISP unfolds.

87. This alignment is especially significant given that a number of the Debtors' operations, particularly on Baffin Island, engage directly with sensitive Inuit relations and environmental stewardship. The Government of Canada's willingness to serve as the Debtors' lending partner during this critical period sends a powerful signal to all stakeholders, including Inuit communities, regulators, and potential participants in the SISP, that the Government has confidence in the Debtors' long-term vision for responsible resource development on Baffin Island in Canada's critical and strategic mineral industries. That vote of confidence from the sovereign is not something any private lender can replicate.

(e) Cost of Borrowing

88. The Debtors assess that the EDC and Oaktree Proposals are competitive from a cost of borrowing standpoint, subject to certain unknown variables such as professional fees. As a result, this was not a determining factor on its own.

(f) Bridge Facility

89. As explained above, the EDC Proposal makes available a $110M bridge facility as part of the DIP loan that is available for four weeks beginning on the date of the Second ARIO. This feature allows for any dispute in respect of the EDC Proposal to be adjudicated before this Court, while at the same time providing the Debtors with the funds they critically need to make sealift expenditures and commitments during the upcoming open-water window. During the four-week bridge period, the Debtors do not have to pay any fees (such as the upfront facility fee or commitment fee) that would normally accrue on the DIP Facility. The EDC Proposal also does not include any exit fees if it is ultimately refinanced by another party.

90. All of the EDC, Oaktree, and IRH Proposals received in the DIP Process made the extension of the bridge facility of $110 million conditional upon the approval of the full loan facility. As a result, under the DIP Facility, the bridge funding of $110 million is only guaranteed if the Court approves the full DIP Facility.

91. For all of these and other reasons, the Operating Committee, exercising its business judgment, assessed the EDC Proposal as clearly superior to the alternative proposals received through the Monitor's competitive DIP Process.

(g) Impact on Creditors

92. The Debtors believe that the EDC Proposal is in the best interests of their stakeholders as a whole for a variety of reasons, including because it provides the necessary liquidity to pursue a value-maximizing SISP while preserving the going-concern value of the business. The Debtors have strong reason to believe that the potential value capable of being realized through a fair, transparent, and orderly SISP will be substantial. Approval of the DIP Facility will accordingly preserve and enhance value for all stakeholders, including by improving the prospects of meaningful recovery for the lenders' syndicate and other creditor constituencies.

93. In selecting a DIP proposal, the Debtors were acutely aware and considered that both the Oaktree Proposal and the EDC Proposal were advanced by existing secured creditors of the Debtors. In practical terms, this meant that whichever proposal was selected, the DIP Facility would necessarily prime at least one of the Debtors' secured creditor groups. Recognizing that priming was an unavoidable consequence of any available DIP financing, the Debtors instead focused their analysis on those factors that meaningfully differentiated the proposals, including the terms, flexibility, and overall benefit to the business and its creditors.

G. RELIEF SOUGHT

(i) *Approval of the DIP Facility and DIP Charge*

94. For the reasons described above, the Debtors request that this Court approve the DIP Facility provided by EDC is attached as **Exhibit "H".** I believe the DIP Facility represents the best terms the Debtors could achieve in the circumstances based on the competitive DIP Process.

95. The DIP Facility requires that all obligations of the Debtors thereunder be secured by the DIP Charge. The DIP Charge is capped at $475 million; however, it secures only the aggregate outstanding advances under the DIP Facility to the extent actually drawn and remaining unpaid.

Accordingly, if the Borrowers do not draw upon the full $475 million of available commitments, the DIP Charge will not attach to the undrawn portion. The DIP Charge further reflects the revolving nature of the DIP Facility, under which amounts may be repaid and re-advanced from time to time, and secures all outstanding fees and expenses payable in connection therewith.

96. As discussed above, the DIP Facility and the DIP Charge are necessary to provide the Debtors the necessary financing to allow them to continue to operate in the ordinary course, fund their upcoming critical sea lift expenditures and pursue a SISP for the benefit of all of their stakeholders. Without the DIP Facility and DIP Charge, the Debtors may be required to shutter their business during the imminently approaching open-water window which would have a devastating effect on the Debtors' creditors and other stakeholders.

97. The DIP Charge will not secure obligations incurred prior to the CCAA Proceedings.

98. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Facility and the DIP Charge.

(ii) ***Ranking of the Charges***

99. The proposed priority ranking of the various charges sought by the Debtors is as follows:

(a) the Administration Charge;

(b) the D&O Charge; and

(c) the DIP Charge.

100. The Monitor and EDC support this proposed ranking.

(iii) *Extension of the Stay*

101. The Debtors are requesting an extension of the Stay until August 28, 2026

102. As described in this Affidavit, since the Filing Date, the Debtors have acted in good faith and made diligent efforts to stabilize their operations and pursue a going-concern solution for the continuation of the Debtors' business and uninterrupted operations at the Mine, including by progressing the DIP Process.

103. The Debtors' need for continued protection under the CCAA continues to be necessary, and the relief sought under the Second ARIO is essential in order to continue operating during the narrow shipping season during which ocean-going vessels can access the port at Milne Inlet, which is the Debtors' best chance to maximize recoveries for all stakeholders.

104. Moreover, a stay extension of at least nine weeks from the date of the Second ARIO is a condition precedent to financing in the DIP Facility. As discussed above, absent the funds made available from the DIP Facility, the Debtors will be cash negative as of the end of next week. Consequently, the Debtors will not be able to carry on business in the ordinary course absent a stay extension of at least nine weeks.

105. If the DIP Facility is approved (or ultimately replaced by another facility), the Debtors will have sufficient funds to operate during the requested Stay extension.

(iv) Sealing

106. As part of this motion, the Debtors are seeking a sealing order over certain information and a limited number of documents concerning the Debtors and the debtor-in-possession financing proposals considered by the Debtors.

107. The discrete information that the Debtors seek to have sealed falls into two categories: (a) material non-public and commercial sensitive information in respect of the Debtors and their business, which is contained in the DIP Budget and presentation; and (b) information concerning the DIP proposals received.

108. The DIP Budget and presentation contain commercially sensitive and material non-public information regarding the Debtors' current financial position, projections, and business operations. Disclosure of this information on the public record would cause serious harm to the Debtors and their stakeholders, as it could be exploited by competitors, counterparties, or other market participants to the detriment of the Debtors. Similarly, the DIP proposals contain confidential terms offered by prospective lenders in the context of a competitive DIP Process. Public disclosure of those proposals would undermine the integrity of that process, and could well undermine the SISP that the Debtors propose to pursue.

(v) Ability to Pay Pre-Filing Amounts with Consent of the Monitor

109. As part of the Second ARIO, the Debtors seek the ability to make certain pre-filing payments to certain third-party suppliers or service providers with the consent of the Monitor.

110. Given the unique nature of the Debtors' business and operations, the Debtors have no readily available means to replace certain third-party suppliers and service providers, whose continued cooperation is essential to maintaining their operations. In any event, such replacement is impractical and would be detrimental to the continued operation of the operations of the Mine.

111. The proposed form of Second ARIO provides that any such payments will only be made with the express consent of the Monitor and only to suppliers or service providers that the Debtors and the Monitor agrees are critical to the Business or the Property (as defined therein).

H. CONCLUSION

112. 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.

113. I swear this Affidavit in support of the within application 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 in the City of Toronto in the Province of Ontario on the 3rd day of June, 2026 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

Sean Monahan

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

Celeste van Tonder

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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

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 ("**BIMC**"), 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 May 22, 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, notwithstanding anything else in this Order: (a) the Canadian Imperial Bank of Commerce ("**CIBC**") and The Bank of Nova Scotia ("**BNS**"), each in their capacity as issuer of any letter of credit where BIMC is principal shall be permitted to set-off or otherwise enforce against any cash or Guaranteed Investment Certificate held in an account with CIBC or BNS as collateral ("**Cash Collateral**") for the payment obligations owing to CIBC or BNS in respect of any such letter of credit (the "**LC Payment Obligations**"), (b) each of CIBC, BNS and the Bank of Montreal ("**BMO**") shall be permitted to deliver any notice or demand to BIMC that it deems necessary for the sole purpose of drawing upon any demand bond or guarantee or other third party credit support or security provided to CIBC, BNS or BMO to secure any LC Payment Obligations, and (c) CIBC and BNS shall be an unaffected creditor under any Plan with respect to any LC Payment Obligations.

8. **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.

9. **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.

10. **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, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(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.

11. **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.

12. **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

13. **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**").

14. **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.

15. **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

16. **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

17. **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

18. **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

19. **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

20. **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

21. **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

22. **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.

23. **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 22 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.

24. **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 22 of this Order.

APPOINTMENT OF MONITOR

25. **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.

26. **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.

27. **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.

28. **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.

29. **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.

30. **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

31. **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.

32. **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.

33. **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 34 and 36 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **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).

35. **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.

36. **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, other than the rights of CIBC or BNS in respect of any Cash Collateral in respect of any LC Payment Obligations.

37. **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 or the Cash Collateral, unless the Debtors also obtain the prior written consent: (a) in the case of the Charges, the Monitor and the beneficiaries of the affected Charges, and (b) in the case of the Cash Collateral, the Monitor, the beneficiaries of the affected Charges and CIBC and BNS, or, in each case, further Order of this Court.

38. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees thereunder (the "**Chargees**") 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 the 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.

39. **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

40. **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.

41. **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.

42. **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.

43. **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.

44. **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

45. **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.

46. **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.

47. **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.

48. **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.

49. **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.

50. **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 Initial Filing Date and is enforceable without the need for entry and filing.

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

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Lawyers for the Applicants and Baffinland Iron Mines LP

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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

Christopher Besant
Direct: (416) 865-4022
cbesant@grllp.com

GARDINER ROBERTS

May 28, 2026

VIA EMAIL:

Davies Ward Phillips & Vineberg LLP
155 Welling ST. W.
Toronto ON
M5V 3J7

Attention: Robin Schwill (RSchwill@DWPV.com) Natalie Renner (NRenner@DWPV.com)

Osler Hoskin & Harcourt LLP
100 King St W.
1 First Canadian Place
Suite 4600, PO Box 50
Toronto ON M5X 1B8

Attention: Marc Wasserman (MWasserman@Osler.com)

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

Attention: Greg Watson (Greg.Watson@FTIconsulting.com) and Jeffrey Rosenberg (Jeffrey.Rosenberg@FTIconsulting.com)

ALL:

Re: **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.
Court File No.: CL-26-00000219-0000
Our File No.: 133,775

As you know, we are the lawyers in the CCAA process for the Respondent, Qikiqtani Inuit Association ("**QIA**"), and write with respect to the above captioned matter. We have since been retained by Nunavut Tunngavik Inc ("NTI") as well. NTI supports QIA's positions set out in this letter.

In a nutshell, as explained below, QIA occupies a role that is fundamentally different from that of an ordinary commercial creditor and its rights need to be addressed through that lens.

GARDINER ROBERTS

The objective of this letter is to introduce QIA to FTI Consulting Canada Inc. ("**FTI**") in its role as the Monitor for this *CCAA* proceeding, to outline the constitutional matrix which underlies this proceeding, and address the issues in this proceeding – and QIA's position in respect of same – which may affect QIA. Briefly, and in sum, this proceeding engages a unique interplay between contract, insolvency law, the constitutional obligations owed to the Inuit pursuant to the *Nunavut Agreement* (as defined below) and the related agreements with QIA. For the reasons detailed below, it is both required and critical that (i) QIA's interests are fully acknowledged and understood by all parties; (ii) QIA's interests are treated as core considerations in all decisions to be made concerning the Baffinland project in this CCAA process, and that (iii) QIA is properly and meaningfully consulted on a go forward basis on all matters of significance in this process..

BACKGROUND

The Constitutional Framework: *The Nunavut Agreement*

The Nunavut Land Claims Agreement (also known as Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada as amended), signed on May 25, 1993 (hereinafter referred to as the "***Nunavut Agreement***"), is a land claims agreement recognizing the Aboriginal title of Nunavut Inuit. The *Nunavut Agreement* recognizes in Canadian law the lands which today, and since time immemorial, belonged collectively to all Inuit in the area now called Nunavut.

The *Nunavut Agreement* is a modern treaty within the meaning of section 35 of the *Constitution Act*, 1982 and is, accordingly, a constitutional instrument. The *Nunavut Agreement* has statutory paramountcy pursuant to Article 2 which states that it prevails over federal, territorial, and municipal laws in the event of an inconsistency or conflict. This language is mirrored in section 6 of the *Nunavut Land Claims Agreement Act*, which states that in the event of an inconsistency or conflict between the *Nunavut Agreement* and any other law, the *Nunavut Agreement* shall prevail to the extent of the inconsistency or conflict.

The paramountcy of the Nunavut Agreement over federal legislation in the event of conflict will need to be taken into account in the application and interpretation of the CCAA with respect to the rights of QIA in respect of Baffinland and its CCAA process.

The *Nunavut Agreement* affirms that Inuit have a wide range of constitutionally protected rights applicable in all lands now known as Nunavut. Inuit selected some of these lands, called "Inuit Owned Lands" ("**IOL**") in the *Nunavut Agreement*. IOL is a class of land ownership unique to Nunavut which was created by the *Nunavut Agreement*. Article 17.1.1 of the *Nunavut Agreement* provides that the purpose of IOL is to ensure economic self-sufficiency for Inuit through time in a manner consistent with Inuit social and cultural needs and aspirations. Articles 17.1.2, 18.1.1 and 19.3.1 of the *Nunavut Agreement* provide that

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IOL are held in fee simple by the Designated Inuit Organization ("**DIO**") for the benefit of all Nunavut Inuit.

As the original DIO under the *Nunavut Agreement*, Nunavut Tunngavik Incorporated (defined above as NTI) delegated certain regional land claim rights, including ownership and administration of IOL to Regional Inuit Associations.

QIA's Role

NTI designated the Qikiqtani region to be managed by QIA, a Regional Inuit Association, pursuant to the *Nunavut Agreement* and appointed QIA as the DIO for the Qikiqtani region of eastern Nunavut ("**Qikiqtani Region**") which includes Baffin Island. The region constitutes about 10% of the land mass of Canada and a significant share of its coastline. Approximately 51% of Canada's Inuit population is within the Qikiqtani Region.

As DIO, QIA represents the Inuit in the Qikiqtani Region and manages their rights including their IOL under the Nunavut agreement. Nearly half of IOL under the Nunavut Agreement is in the Qikiqtani Region, making QIA one of the world's largest private landowners.

As the regional voice of Nunavut's Qikiqtani Inuit, QIA advances the rights and benefits of Qikiqtani Inuit through protecting and promoting their social, political, economic and cultural interests, while safeguarding the land, waters and resources which sustain the Qikiqtani Inuit communities. QIA's vision is to achieve political and cultural empowerment, social equality, economic prosperity and a healthy environment for Qikiqtani Inuit.

Part of the delegated authority held by QIA is fee simple ownership of IOL in the Qikiqtani region, including the lands on which the Baffinland Iron Mines Corporation ("**BIM Corp.**") together with Baffinland Iron Mines LP ("**BIM LP**"), amongst other entities (collectively, "**Baffinland**"), engage in its iron ore mining operations at the Mary River Mine (the "**Mine**" and the "**Mining Project**"). As the DIO responsible for the IOL on which the Mining Project operates, QIA has a fiduciary responsibility to all Qikiqtani Inuit to ensure that the purpose of the IOL, as set out in the *Nunavut Agreement*, is upheld.

In its capacity as landowner, lessor, and party to the Inuit Impact and Benefit Agreement defined below ("**IIBA**"), which agreement is constitutionally required for the Mary River Mine to operate, QIA occupies a role that is fundamentally different from that of an ordinary commercial creditor. Its rights are grounded in, and protected by, the constitutional framework of the *Nunavut Agreement* and must be recognized and preserved throughout this proceeding.

AGREEMENT FRAMEWORK

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Legal Nature of the IIBA

As required by the provisions of the *Nunavut Agreement*, on September 6, 2013, QIA and BIM Corp. entered into an IIBA with respect to the Mining Project. That agreement was amended and restated on October 22, 2018, which is the version of the IIBA in force today. A further amendment was in the advanced stages of negotiation when the CCAA was filed. That amending agreement included amendments necessary to bring the project back into compliance with its project certificate required for the mine to be able to operate and it would be wise to consider completing same.

The IIBA is required because the Mining Project meets the definition of "Major Development Project" under Article 26.1.1 of the *Nunavut Agreement*. The language of Article 26 of the *Nunavut Agreement* underscores the paramount objective of promoting the economy, culture, and livelihood of the Inuit, and the role of IIBAs in ensuring these objectives are maintained when a Major Development Project is undertaken on IOL and throughout the duration of any such Major Development Project.

Because IIBAs are implemented pursuant to the *Nunavut Agreement* which, as stated, is a modern treaty recognized and incorporated into the Canadian Constitution under section 35 of the *Constitution Act*, 1982, they are *sui generis* treaty implementation instruments. They are not merely freely negotiated commercial contracts but are rather mandated by Article 26 as the mechanism for implementing constitutional obligations.

The *Nunavut Agreement* makes the IIBA a condition precedent to the lawful operation of the Mining Project. Without a valid IIBA in good standing, the Mining Project has no legal right to commence or continue, regardless of any other regulatory approval, because the IIBA is entrenched in constitutional treaty law. The subject IIBA between QIA and BIM Corp. was and remains necessary to ensure that the Mining Project was fairly negotiated and agreed upon by the Qikiqtani Inuit and the entities which operate the Mine and the Mining Project at large. The IIBA is required to remain in place and in good standing throughout the life of the Mining Project, and thus, the obligations thereunder must be complied with by not only BIM Corp. as a contracting party, but also by all other relevant entities comprising the debtor applicants, in addition to any new equity participants that may result from the within proceeding.

Distinctive Features of the IIBA

The IIBA has a tiered financial architecture which is more comprehensive than a standard non-Inuit aboriginal IBA. Article 5 of the subject IIBA sets out the Inuit financial participation scheme, which requires BIM Corp. to pay, among other payments, advance and extension payments, payable during construction of the Mining Project, up to a $75,000,000.00 cap (Articles 5.2 and 5.3) as well as royalty payments each calendar quarter of the greater of $1,250,000.00 or 1.19 per cent of net sales revenue, with top-up payments (Article 5.6). These payment requirements are indexed to the Iqaluit Consumer Price Index ("**CPI**").

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The IIBA further sets out requirements and objectives with respect to the hiring and employment of Inuit, including the hiring of Inuit at all levels within the Mining Project, the integration of training with employment, and a policy that qualified Inuit are the last to be laid off from any specific job category (Article 7.1.3). Additionally, the IIBA requires the implementation of various retention, advancement and career development programs including personal life management training and retention counselling and employment assistance programs to assist Inuit employees with dealing with issues such as sexual harassment, violence, alcohol and drugs (Article 7.15.9).

The IIBA implements a contractually elevated "best efforts" standard on the parties to meet their obligations with respect to Inuit participation in training and education, defined as a higher standard than reasonable efforts, taking, in good faith, all reasonable steps to achieve the objective and carrying the process to its logical conclusion, and doing everything known to be usual, necessary, and proper for ensuring the success of the endeavor (Article 2.6).

Article 16 of the IIBA governs Inuit Qaujimajatuqangit ("**IQ**") which encompasses Inuit societal values and knowledge. BIM Corp. is mandated to consult with QIA, integrate IQ in its plans, protect sensitive information and provide all materials in Inuktitut and English (Article 16.3). In short, the integration of IQ is not merely a consultation formality, but an operational requirement.

Article 23 of the IIBA governs the term and termination of the IIBA and specifically states that the IIBA may be terminated prior to Project Termination if BIM Corp. or any permitted successor or assign is in material default of any provision of the IIBA or any other agreement or instrument with QIA including any lease or permit or access to IOL (Article 23.5.1). Accordingly, IIBA and the Commercial Lease between the parties (discussed further herein below) are explicitly cross-defaulted. The breach of one is the breach of both.

The Lease

On or about September 6, 2013, QIA in its capacity as DIO, and as landlord of the applicable IOL, and the Applicant/Debtor, BIM Corp., as tenant, entered into a Lease, bearing Lease #: Q13C301, for certain portions of IOL in Nunavut legally described as Parcel PI-16, Plan 4013; Parcel PI-17, Plan 4382; and Parcel PI-19, Plan 4160 (the "**Lease**"). The Lease has a 30-year term until December 31, 2043, with the potential of 30-year renewals thereafter, subject to conditions (Section 2.10).

The Lease grants exclusive possession of areas defined as "Impact" and "Exploration" areas to BIM Corp., as well as non-exclusive possession to areas defined as "General" (Section 2.2). Impact and Exploration areas include the areas used principally for mining and associated operations, infrastructure development and operation, and mineral exploration (Section 2.5).

The Lease grants rights limited to the surface of the lands (Section 2.6). Approximately 4% of the subsurface rights are retained by the Government of Canada and are governed by a grandfathered lease

between the Government and BIM Corp. The remaining subsurface rights are held by NTI and are subject to a separate royalty agreement between NTI and BIM Corp.

The Lease calculated annual rent as the greater of $3,000,000.00 or a hectare-based formula of $200/hectare for Impact areas and $60 per hectare for Exploration areas, plus applicable quarry and tipping fees. Rent is calculated by November 1 of each year and due the following January, with adjustments based on the Iqaluit CPI. Overdue amounts bear an interest rate of 15 percent per annum (Section 4 generally).

Reclamation Security and Letters of Credit Pursuant to the Lease

Article 9 of the Lease sets out BIM Corp.'s obligations as the tenant with respect to the posting and maintenance of Reclamation Security.

For the first year of the Lease in 2013, BIM Corp. posted initial Reclamation Security in the amount of $26,200,000 in favour of QIA. Each year thereafter, the parties engaged in the process required by Lease to determine annual adjustments to the Reclamation Security, based on estimates of anticipated closure and reclamation costs for the Lands to the end of the upcoming year. These amounts also include anticipated closure and reclamation costs relating to water on Inuit Owned Lands (discussed further herein below, in the Water License section).

Pursuant to the Reclamation Security provisions of the Lease, BIM Corp. is required by November 1 of each calendar year to submit its Work Plan with an updated estimate of anticipated closure and reclamation costs for the Lands to QIA. Once received, QIA determines its own Reclamation Security estimate in accordance with QIA's policies and procedures related to the reclamation of IOL. Pursuant to the Lease, BIM Corp. is then obligated to adjust the amount of Reclamation Security posted to equal QIA's estimate of reasonable anticipated closure and reclamation costs for the particular year. The adjustment must be made, and the additional security posted by BIM Corp. by January 31 each year, unless, prior to this date, BIM Corp. disputes the amount and refers the matter to arbitration.

Article 9.13 of the Lease sets out the process for arbitration of the annual adjustment of Reclamation Security. Article 9.2(g) of the Lease states that the work which BIM Corp. plans to carry out, in respect of which an increase in Reclamation Security is required, may commence provided that if the required adjustment to the Reclamation Security is disputed by BIM Corp., then it shall "expeditiously proceed with arbitration of the dispute pursuant to Section 9.13". Specifically, under the Lease, BIM Corp. acknowledges that QIA's agreement to permit work while the adjustment is in dispute is "conditional on the Tenant [BIM Corp.] using its best efforts, together with the Landlord [QIA] to ensure that an arbitration decision is rendered and that the Reclamation Security is adjusted in a timely manner". Failure on the part of BIM Corp. to comply with these provisions constitutes an "Event of Default" under the Lease.

The annual adjustment of the Reclamation Security for the year 2026 is currently being arbitrated pursuant to a Notice of Arbitration delivered by BIM Corp. The arbitration is currently scheduled to be heard in

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September 2026. If the arbitration process is stayed by virtue of the within CCAA proceeding, and as a result, BIM Corp.'s obligation to pay its annual adjustment obligation is stayed, BIM Corp. will be in breach its obligations under Article 9 of the Lease and the Mining Project will be in an undersecured state. This not only places BIM Corp. in direct default of the Lease, but more importantly, would unlawfully shift the to the Qikiqtani Inuit certain of the costs of reclamation, in breach of a fundamental premise of the Lease. It is essential that adequate Reclamation Security is in place at all times, and that QIA have unfettered recourse to same, and hence any orders in the proceeding should be consistent with that foundational principle, and hence steps should be taken in the proceeding to ensure the correct amount of Reclamation Security is posted. This is discussed further below. Any failure to do so would be a breach of the Lease, but more importantly, a significant infringement on the constitutionally protected rights of the Inuit on the IOL.

In accordance with its Reclamation Security obligations pursuant to the Lease, BIM Corp. has caused to be issued various Irrevocable Standby Letters of Credit, in the approximate aggregate sum of $134,213,166.23 (the "**LOCs**"). As outlined below, certain of those LOCs are set to expire in the near term. QIA seeks confirmation of BIM Corp.'s obligation and capacity to renew or replace these expiring LOCs or, in the alternative, confirmation of QIA's rights and ability to draw on them prior to expiry and or the replacement of expired LOCs with cash.

Preserving existing Reclamation Security and ensuring that BIM Corp. fulfills all Reclamation Security obligations under the Lease is of paramount importance to QIA and the Qikiqtani Inuit, and is otherwise in the best interests of all stakeholders, as the impacts of being under-secured are both vast and prejudicial to the economic and social benefits that the community derives from the Mining Project and which are constitutionally entrenched and protected. Furthermore, the Reclamation Security is a critical aspect of the Lease and the agreement between the parties, without which the Mining Project would not be able to continue to legally operate.

The Water License

On April 28, 2025, BIM Corp. obtained a water license, bearing License No. 2AM-MRY2540, granted by the Nunavut Water Board, pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the *Nunavut Agreement* (the "**Water License**").

The Water License provides BIM Corp. with, among other things, the right to alter, divert or otherwise use Water or deposit Waste to support the Mining Project, subject to the restrictions and conditions set out in the License, and has an expiry date of April 27, 2040.

Pursuant to Part C, Item 1, the Water License mandates that BIM Corp. as Licensee shall furnish and maintain security, posted with the Minister of Northern Affairs and QIA, in an amount sufficient to secure the Mine closure and reclamation costs (including cumulative and legacy liabilities) estimated for the upcoming year to be required for the portion of the Mining Project located on IOL.

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Schedule C to the Water License establishes the process and timing for determining the total financial security amount. This determination occurs through the Annual Security Review, a process involving the Licensee (BIM Corp.), the Minister of Northern Affairs, the Nunavut Water Board, and QIA, and is conducted on the first Thursday of each December.

Once the amount has been determined, the Licensee (BIM Corp.) is required to furnish and maintain the security on an ongoing basis. The total financial security is calculated, in part, based on a holistic approach to reclamation that includes outstanding reclamation liability for land and water combined. If BIM Corp. as Licensee fails to furnish the total financial security amount required, the Licensee is not authorized to proceed with any planned activities that could increase the total financial security amount required to be held under the License until the total amount has been posted.

The reclamation security required to be posted by the Lease is also required by the Water License to be posted and hence failure to maintain same would breach the terms of the Water License. Moreover, non-compliance with the terms of the Water License is a breach of the Lease.

FINANCIAL VALUE OF QIA'S RELATIONSHIP WITH BIM CORP. AND BIM CORP.'S ARREARS

While difficult to accurately quantify at this juncture, the *annual* value of the IIBA – in favour of QIA, with respect to both revenue and non-revenue benefits – is approximately $200,000,000.00, as follows:

Benefit	**Value (2024/2025)**
Inuit Salaries Baffinland	$19,970,793.85
Inuit Salaries Contractors	$7,727,907.37
Procurement- Inuit-owned Businesses	$153,400,000.00
Inuit Employee Training	$1,541,019.27
Inuit pre-employment training	$410,938.47
Training center (prorated over 10 years)	$1,000,000.00
IIBA Revenue to QIA	$11,238,782.25 (annual average)
Other IIBA Financial Commitments (e.g., school lunch, scholarships, internship, harvesters' program, wildlife monitoring, counselling)	$2,197,129.94
Total	**$197,486,571.15**

Notwithstanding BIM Corp.'s financial obligations pursuant to the IIBA, and/or otherwise, BIM Corp. is in arrears with respect to monies owing to QIA, as follows:

Category	**Item**	**Value ($)**

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Commercial Lease	Property Tax (Amount owed less LC's) Reclamation Security - 2026 Outstanding Amount Subtotal:	$8,700,000.00 $2,631.584.00 $11,331,584.00
IIBA / Commercial Lease	Recoverable Expenses in Arrears (2019-2025) Estimated Recoverable Expenses in Arrears (Jan - Mar, 2026) Subtotal:	$5,700,000.00 $500,000.00 $6,200,000.00
TOTAL		**$17,531,584.00**

ISSUES IN THE CCAA PROCEEDING WHICH NEED TO BE ADDRESSED AT THIS STAGE:

Further to the foregoing contents of this letter, in addition to other issues which will need to be addressed as the proceeding progresses, the following matters need to be addressed now. These issues were tabled with counsel to Baffinland and the Monitor in our call on May 22, 2025 (other the point about representative counsel for independent contractors discussed below). We are writing to give additional detail as to the issues and what is required to address them.

LOCs

QIA seeks the renewal of the 3 LCs set out in the table below, which are set to expire imminently. (Confirmation of the renewal of a 4th LC from BNS – LC S18572/269319 in the amount of $48,845,500 - which was imminently due to expire on June 5th was received today). QIA takes the position that if the listed LOCs are not renewed and/or extended by June 1, 2026 and documentation effecting same delivered to QIA by that date, QIA reserves the right to draw on same thereafter, which it would be entitled to do. QIA understands that its rights under the LOCs and any draw proceeds therefrom are not and will not be affected by the CCAA, including by the stay, by the debtor in possession financing sought by the applicants, or any other steps taken in the CCAA proceedings.

Bank	ID	Amount	Expiry	Purpose of LC Security
CIBC	SBGT128316	$7,628,500.00	June 8, 2026	Environmental Reclamation Obligations of BIM to QIA
CIBC	SBGT161116	$4,000,000.00	June 4, 2026	Realty Tax Reimbursements owed by BIM to QIA
CIBC	SBGT164350	$834,404.00	July 4, 2026	Realty Tax Reimbursements owed by BIM to QIA

We understand CIBC is still reviewing the issue of renewing these3 LOCs.

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As noted above, its essential for Baffinland to maintain the LOC security in order for Baffinland to remain in compliance with the Lease and the Water License. Failure to do so could constitute a post-filing breach of the Lease and Water License and could trigger the seeking of relief in the CCAA proceedings re same.

If the LOCs are not renewed, Baffinland may need to consider obtaining fresh LOCs immediately, or directly providing cash collateral to QIA in place of same, which may necessitate drawing under the DIP for that purpose, so consideration must be given to building this into the cash flow and DIP arrangements.

Reclamation Security Arbitration to Proceed and be Unimpeded by Stay of Proceedings

In addition to the need to renew letter of credit security, there is a pending arbitration under the Lease initiated by Baffinland over the amount of reclamation security required to be posted by Baffinland for 2026. As you are aware, each year the reclamation security is adjusted based on an update of the estimated reclamation liabilities. Baffinland is disputing approximately $2.6 million of that estimate and hence resisting the posting of additional reclamation security for 2026.

Baffinland is not in compliance with its project certificate required to operate the mine until the requisite security is posted.

Accordingly the continuance of the arbitration proceeding, which is scheduled for hearing in September 2026 is essential and hence what is required is either an amendment to the ARIO to confirm it can continue (as the proceeding was commenced by and not against Baffinland, the stay might not apply), or confirmation from Baffinland and the Monitor that the arbitration can and will proceed.

Employees

A cornerstone of QIA's constitutionalized IIBA with Baffinland is that Inuit will be employed at specified levels and percentages, which is part of the foundation of the economy of the Qikiqtani Region in respect of which QIA is the DIO.

There are around 300 Inuit employees of Baffinland. QIA has been advised that there is no present plan to lay any Inuit employees off, which is appreciated. However should there be in future consideration to any layoffs during the CCAA process, QIA believes it must be consulted reasonably in advance re same so that it can provide input as to whether that can be done under the existing arrangements, and where applicable, what provisions would need to be made for any Inuit employees in connection with any proposed layoff.

Contractors & QC/QIL

Another cornerstone of the IIBA with Baffinland is the provision of contracting opportunity and revenue to independent Inuit contractors. As noted above, this is very economically significant feature of the arrangements and is another key part of the foundation of the economy of the Qikiqtani Region.

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Much activity of the independent contractors is coordinated through Qikiqtaaluk Corporation ("QC") and Qikiqtani Industries Limited ("QIL"), which are subsidiaries of QIA. Counsel to QC/QIA has written separately to counsel to Baffinland and the Monitor to outline the issues that need to be addressed re QC and QIL and their constituencies. QIA supports the position of QC and QIL in that correspondence, including:

a. Addressing the approximate $18 million in outstanding arrears owed to QC/QIL and the contractors they represent; and
b. Treating QC/QIL and its contractors as critical vendors going forward and ensuring contractual payments to them are provided for in the cash flow and funded as necessary with the DIP Loan;

QIA also believes it would be appropriate to appoint representative counsel in this proceeding for Inuit independent contractors not otherwise represented, and provide funding for same, so that their essential needs (including arrears and their role as critical vendors) can be addressed efficiently, and appropriate provision for same can be made in the cash flow and DIP Loan.

Compliance with the IIBA and the Lease Post-Filing

The Lease and IIBA has to be complied with for the mine to operate for the reasons explained above. Accordingly the ARIO needs to be amended to provide that the Lease and the IIBA shall be complied with post-filing and that the payments that become owing under the Lease and the IIBA post-filing are required to be made by Baffinland. Section 9(b) of the ARIO presently makes the IIBA payments permissive; they need to be made mandatory.

Arrears owing to QIA

With respect to the $17.5+ million in arrears owing to QIA pursuant to the Lease and under the IIBA as detailed above, the arrears represent a breach of the Lease and the IIBA. The failure to pay these amounts when due has put severe financial burdens on the Inuit of the region and undermined the ability to deliver services to them which the IIBA was established to enable. QIA is requesting that provision be made in the cash flow and DIP Loan arrangements to fund a payment schedule for the reduction of the arrears and that the ARIO be amended to provide for same.

While the entire amount is owing, QIA is willing to consider spreading out the repayment to spread out the impact on cash flow in order to assist the restructuring process. In that regard, it may be helpful to appreciate that a payment plan to address some of the arrears was under discussion shortly before the filing. **QIA proposes that $1 million a month be paid starting immediately and that this be built into the cash flow and DIP financing arrangements.**

There may be legal issues about how the arrears must be treated during the CCAA process which could potentially be avoided or at least deferred to a later stage in the proceedings by a consensus on a payment

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schedule embedded in the cash flow and protected by an amendment to the ARIO. Reducing the arrears by a payment plan would also reduce the potential for issues later in the proceeding.

Consultation in the *CCAA* Process Going forward

We understand that QIA was not consulted in connection with the initial filing in this proceeding. This failure to consult by the Applicants and/or the Monitor is not consistent with QIA's status as a DIO, as owner of the land on which the mine operates and the resources its seeks to extract, and the pivotal and unique constitutional role QIA plays in the ability of the Mine to operate, as per the NLCA, the Lease and the IIBA.

The Mine and the Mining Project are systemically important in the region in respect of which QIA is the DIO. The entry into the Lease and IIBA with respect to the project are predicated on Baffinland contributing to the economic and social objectives of QIA for the region and the Qikiqtani Inuit. QIA should be consulted reasonably on major decisions in the CCAA going forward and kept informed on the progress of issues on regular basis in addition to whatever is provided by way of Monitor's reports. That would include consulting QIA on matters such as the formulation of any SISP, any proposed sale bids and proposed sale transactions, proposed refinancings restructuring plans or other exit transactions, and changes to DIP financing arrangements, and similar CCAA events of significance. For consultation to be meaningful, it will need to be in the formative stages of major steps in the proceeding, not just at the outcome stage.

We would be pleased to further discuss the contents of this letter, and QIA's involvement in this matter generally.

Our client looks forward to working together to achieve a successful result for the project through this process.

Yours truly,

GARDINER ROBERTS LLP

CBesant

Christopher Besant
Partner
CB/ml

cc: Oslers (additional lawyers on the Monitor counsel team)
mdelellis@osler.com
jdacks@osler.com
mdick@osler.com

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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

May ●, 2026

●

Attention: ●

Dear ●:

Re: Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (together, the "**Applicants**")

Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 15, 2026, the Applicants and Baffinland Iron Mines LP (together, the "**Debtors**") were granted protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and FTI Consulting Canada Inc. was appointed monitor (in such capacity, the "**Monitor**"). A copy of the Initial Order and other Court materials filed publicly in these CCAA proceedings are available on the Monitor's website at: https://cfcanada.fticonsulting.com/baffinland.

The principal purpose of these CCAA proceedings is to provide the Debtors with the stability and breathing room necessary to continue operations on a going-concern basis while they 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.

The Debtors and the Monitor are undertaking a competitive interim financing solicitation process ("**DIP Financing Process**") to include the Debtors' working capital requirements, general corporate purposes, post-filing expenses and expansion plans during these CCAA proceedings.

Interested parties must execute a non-disclosure agreement, in form and substance satisfactory to the Debtors and the Monitor.

Participants in the DIP Financing Process will receive both an interim financing budget and a form of interim financing term sheet.

The Monitor and the Debtors will be available to engage with parties participating in the DIP Financing Process to discuss same.

Final, definitive, executed interim financing term sheets, along with a blackline to a form of the interim financing term sheet, must be submitted to the Debtors and the Monitor by no later than 5:00 pm (Toronto time) on May 20, 2026 (the "Deadline Date") via email to the email addresses set out below:

Jeffrey Rosenberg	**Greg Watson**
Email: Jeffrey.Rosenberg@fticonsulting.com	Email: Greg.Watson@fticonsulting.com

The Debtors, in consultation with the Monitor, will consider all executed interim financing term sheets received prior to the Deadline Date, which will include a consideration of various factors, including:

- The size of each interim financing facility;
- The cash costs associated with each interim financing proposal;
- The terms, conditions, covenants and events of defaults in each interim financing proposal;
- The relative degree of potential operational disruption resulting from each interim financing proposal; and
- The continued availability of margin and hedging arrangements under each interim financing proposal.

The Monitor and the Debtors may, following receipt of any interim financing proposal, seek clarification with respect to any of the terms or conditions of the interim financing proposal and/or request and negotiate one or more amendments to such interim financing proposal prior to selecting an interim financing proposal.

Following the Deadline Date, the Debtors, in consultation with the Monitor, will review the interim financing proposals received. The selected proposal in the DIP Financing Process will require Court approval. The Debtors are not obliged to accept any offer. The Monitor and the Debtors reserve the right to evaluate all offers, to negotiate their terms and to reject any and all offers and to amend the DIP Financing Process as it considers appropriate.

If you have any questions, please do not hesitate to contact Jeffrey Rosenberg or Greg Watson.

Yours very truly,

FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR OF NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION AND 12334992 CANADA INC.

This is Confidential 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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

Confidential Exhibit "D"

DIP Budget and Baffinland Corporate Presentation

This is Exhibit “E” 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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

DIP FACILITY LOAN AGREEMENT

DATED AS OF ■, 2026

WHEREAS Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, the "**Borrowers**") have requested the DIP Lender (defined below) to provide funding in order to assist with proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") to be commenced before the Ontario Superior Court of Justice – Commercial List (the "**Court**") in accordance with the terms and conditions set out herein (the "**CCAA Proceeding**");

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (defined below) in accordance with the terms and conditions set out below.

NOW THEREFORE, in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms:** A capitalized term not defined in the body of this Agreement has the meaning ascribed to it in the Definitions section below.

2. **Interpretation:** In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".

   The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

   References in this Agreement to Sections or Schedules are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise.

3. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of the United States of America.

4. **Borrowers:** Baffinland Iron Mines Corporation ("**BIM Corp**") and Baffinland Iron Mines LP ("**Baffin LP**").

5. **Guarantors:** Means Nunavut Iron Ore, Inc. and 12334992 Canada Inc. (collectively, the "**Guarantors**" and collectively with the Borrowers, the "**Obligors**").

6. **DIP Lender:** ■ (the **"DIP Lender**").

7. **DIP Facility:** The DIP Lender agrees to establish in favour of the Borrowers a debtor-in-possession revolving credit facility (the "**DIP Facility**") in the principal amount equal to $300,000,000 (the "**Loan Amount**").

The DIP Facility is a revolving credit facility and, accordingly, amounts Advanced pursuant to Section 8 may be repaid and reborrowed by the Borrowers until the Maturity Date.

8. **DIP Advances:** An initial advance under the DIP Facility in the principal amount of $**[25,000,000]** (the "**Initial Advance**") shall be made available to the Borrowers and shall be deposited into the Borrowers' Account (defined below) on the date of the Initial Order, provided the Initial Advance Conditions are satisfied as of such date.

Advances under the DIP Facility, other than the Initial Advance (each, an "**Advance**") require a written notice to be delivered to the DIP Lender, at least two Business Days prior to the requested date of the Advance, or such shorter period as may be agreed by the DIP Lender in advance (each, an "**Advance Notice**"), which has been approved by the Monitor and executed by an officer of the Borrowers setting out: (a) the proposed amount of the requested Advance; (b) the date the Advance is required; and (c) certification that the representations and warranties contained herein are true and correct in all material respects as of such date.

The DIP Lender shall deposit into the Borrowers' Account the amount requested by the Borrowers pursuant to the Advance Notice on the requested date of the Advance; provided that the conditions in section 16 are satisfied as of such date; other in in respect of the Initial Advance which shall be deposited into the Borrowers' Account on the date of the Initial Order; provided the Initial Advance Conditions are satisfied as of such date.

9. **Use of Proceeds:** The proceeds of the DIP Facility shall be used solely by the Borrowers in accordance with the Approved Cash Flow, which shall include provision for payment of (i) the fees of the Monitor and its counsel and counsel for the Borrowers, (ii) interest owing to the DIP Lender under this Agreement, (iii) expenses payable under the DIP Facility and ordinary course payments for the Borrowers' working capital needs during the CCAA Proceeding, including, post-filing accounts payable in the ordinary course of the Business and Priority Payables, (iv) royalty payments under the Royalty Agreements, and (v) amounts payable under the Benefits Agreement. No proceeds may be used for any other purpose except with the prior written approval of the DIP Lender, acting reasonably.

10. **Assignment by the Borrowers:** The Borrowers shall not be permitted to assign this Agreement without the prior written consent of the DIP Lender.

11. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

12. **Interest**

All amounts owing by the Borrowers hereunder to the DIP Lender on account of the principal, overdue interest and expenses shall bear interest at ■% per annum (the "**Interest Rate**"). To the extent permitted by Law, effective upon the occurrence of and during the continuance of an Event of Default, all amounts owing to the DIP Lender hereunder by the Borrowers on account of principal, overdue interest and expenses shall bear interest at the Interest Rate plus an additional 2% per annum (the Interest Rate, as increased, the "**Default Rate**").

All interest hereunder shall be computed on the basis of a year of 365 or 366 days (as applicable) and shall accrue and be calculated daily and payable in cash, monthly in arrears on the last Business Day of each month (each, an "**Interest Payment Date**"); provided that unless otherwise agreed by the DIP Lender, interest accruing at the Default Rate shall be payable in cash on demand, both before and after demand and judgment.

In the case of an Advance, the first Interest Period shall commence on and include the date of such Advance and shall end on and exclude the next following Interest Payment Date. Thereafter, in the case of such Advance, the Interest Period shall commence on and include the Interest Payment Date and end on and exclude the next Interest Payment Date or the Maturity Date, whichever is earlier.

13. **Other Costs and Expenses:**

The Borrower shall pay all reasonable and documented third-party costs and expenses of the DIP Lender for all due diligence and all reasonable and documented fees, expenses and disbursements of outside counsel in connection with the preparation, negotiation and consummation of this Agreement and the administration of the DIP Facility, including any reasonable and documented third-party costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder or under the DIP Security.

14. **Approved Cash Flow:**

Attached hereto as Schedule A is a detailed cash flow projection (the "**Approved Cash Flow**"), which is in form and substance satisfactory to the DIP Lender and which includes provision for payments on account of any interest and expenses which may be payable under the DIP Facility, rent and other occupancy costs, supplier payments, post-filing accounts payable in the ordinary course of the Business, Priority Payables, payments of amounts payable under the Royalty Agreements and the Benefits Agreement, and the costs and expenses associated with the CCAA Proceeding.

The Borrowers, with the assistance of the Monitor, may from time to time present the DIP Lender with a revised budget substantially in the form of the current Approved Cash Flow (the "**Updated Cash Flow**"). Subject to the written approval of the DIP Lender (acting reasonably), the Updated Cash Flow shall thereafter be deemed to be the effective Approved Cash Flow for the purposes hereof.

15. **Conditions Precedent to the Initial Advance:**

The DIP Lender's obligation to make the Initial Advance hereunder from the Loan Amount is subject to, and conditional upon, the satisfaction of all of the following conditions precedent (the "**Initial Advance Conditions**"):

(a) The Court shall have issued the Initial Order in form and substance satisfactory to the DIP Lender, acting reasonably, among other things:

(i) granting the Obligors protection under the CCAA;

(ii) appointing the Monitor;

(iii) authorizing and approving the Initial Advance and approving this Agreement for the purpose of making the Initial Advance; and

(iv) granting the DIP Charge and the priority of the DIP Charge contemplated in this Agreement,

and the operation and effect of such order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired) and no notices of the foregoing shall have been filed, unless otherwise agreed by the DIP Lender, in its sole discretion;

(b) All reasonable and documented third-party expenses payable to the DIP Lender hereunder will be paid from the proceeds of the Initial Advance on the date of the Initial Advance; and

(c) No Event of Default shall have occurred and be continuing or will occur as a result of the Initial Advance.

16. **Conditions Precedent to Advances of the Loan Amount (other than the Initial Advance):**

The DIP Lender's agreement to make any additional Advances available from the Loan Amount is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

(a) The Court shall have issued an Amended and Restated Initial Order (if necessary) in form and substance satisfactory to the DIP Lender, acting reasonably, among other things:

(i) authorizing and approving this Agreement;

(ii) granting the DIP Charge (defined below) and the priority of the DIP Charge contemplated in this Agreement;

(iii) granting a stay of proceedings until a date that is at least **[■ weeks]** after the date of the Initial Order;

and the operation and effect of such order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired) and no notices of the foregoing shall have been

filed, unless otherwise agreed by the DIP Lender, in its sole discretion;

(b) The Amended and Restated Initial Order (if necessary) has not been amended, restated or modified in a manner that materially adversely affects the rights, remedies or interests of the DIP Lender, in its sole discretion, without the prior written consent of the DIP Lender;

(c) The DIP Lender shall have received an Advance Notice in accordance with the terms hereof;

(d) All reasonable and documented third-party expenses payable to the DIP Lender hereunder have been paid or will be paid from the proceeds of the requested Advance on the date of the applicable Advance;

(e) There shall be no Encumbrances on the Collateral ranking in priority to or *pari passu* with the DIP Charge other than as expressly permitted by the terms hereof;

(f) No Default or Event of Default shall have occurred and be continuing or will occur as a result of the requested Advance; and

(g) The Obligors shall be in compliance in all material respects with all covenants and obligations contained in this Agreement.

17. **DIP Charge:** All of the obligations of the Obligors under or in connection with the DIP Facility, including without limitation, all principal, interest, fees and amounts owing in respect of reasonable and documented third-party expenses of the DIP Lender (collectively, the "**DIP Obligations**"), shall be secured by a Court-ordered charge on the Collateral in favour of the DIP Lender (the "**DIP Charge**").

The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral other than the administration charge not exceeding $■, to be granted by the Court and the directors and officers charge not exceeding $■, to be granted by the Court (collectively, the "**Priority Charges**").

18. **DIP Security:** The Guarantors hereby guarantee in favour of the DIP Lender the payment and performance of the DIP Obligations of the Borrowers.

The DIP Lender shall be permitted to request DIP Security (in form and substance reasonably satisfactory to the DIP Lender) from the Obligors at any time. The DIP Security shall continue as a first priority Encumbrance on the Collateral in favour of the DIP Lender subject to subordination only in respect of the Priority Charges and Priority Payables. For greater certainty, the delivery of DIP Security shall not be a condition precedent to the Initial Advance or any other advances of the Loan Amount as set out in Sections 15 and 16.

19. **Borrowers' Account:** Advances shall be deposited into a bank account to be designated by the Borrowers (the "**Borrowers' Account**") and utilized by the Borrowers in accordance with the terms of this Agreement.

20. **Repayment and Maturity Date:** All DIP Obligations shall be due and payable on the earliest of the occurrence of any of the following:

(a) conversion of the CCAA Proceeding into a proceeding under the *Bankruptcy and Insolvency Act* (Canada);

(b) the occurrence of an Event of Default which is continuing and has not been cured within **[30]** days of the Borrowers receiving written notice of such Event of Default from the DIP Lender and the DIP Lender has notified the Obligors pursuant to Section 28 that it has elected to accelerate all amounts owing; or

(c) the date which is ■ months after the closing of a Restructuring Transaction, or combination of Restructuring Transactions that generated sufficient proceeds to repay the DIP Obligations,

(such earliest date, the "**Maturity Date**").

The DIP Lender's commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be fully repaid no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or Guarantors or to give notice that the DIP Facility has expired and that the obligations thereunder are due and payable.

21. **Payments:** All payments of principal and expenses hereunder, if applicable, shall be made for value in the full amount due at or before 12:00 noon on the day such amount is due by deposit or transfer thereof to the DIP Lender or as the DIP Lender may direct. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment. Each payment to be made by the Borrowers under this Agreement shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. If any expenses incurred by the Borrowers after the date of this Agreement are not paid by the Borrowers, the DIP Lender may, but shall have no duty to do so, pay all such expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

22. **Indemnity:** The Obligors agree to indemnify and hold harmless the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, and its Affiliates, partners and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses,

damages, liabilities or reasonable and documented third-party expenses of any kind or nature whatsoever which may be incurred by any of the Indemnified Persons (collectively, the "**Claims**") as a result of, in connection with or in any way related to the DIP Facility, the priority of the DIP Charge, the proposed or actual use of the proceeds of the DIP Facility or this Agreement; provided, however, that the Obligors shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any Claim (a) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, or (b) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Obligors. The Obligors shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages

23. **Representations and Warranties:** Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender has relied in entering into this Agreement that:

(a) The transactions contemplated by this Agreement and upon the granting of the Initial Order or Amended and Restated Initial Order:

(i) are within the powers of the Obligor and constitute legal, valid and binding obligations of the Obligor;

(ii) have been duly authorized, executed and delivered by or on behalf of the Obligor; and

(iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any material contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected;

(b) The Business has been and will continue to be conducted in material compliance with all applicable Laws of each jurisdiction in which the Business has been or is being carried on subject to the provisions of the CCAA and any Court order made after the date of the Initial Order;

(c) Each Obligor has obtained any material Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect. No proceedings have been commenced to revoke or amend any such Authorizations;

(d) Each Obligor does not have any defined benefit pension plans or similar plans and is in material compliance with all applicable Law respecting its employees' employment and all collective bargaining agreements to which it is a party or otherwise bound;

(e) Except as otherwise disclosed to the DIP Lender in writing prior to the date hereof, each Obligor is current on its payment obligations

for rent and other occupancy costs and expenses in respect of any premises that it leases;

(f) All obligations of each Obligor (including fiduciary, funding, investment and administrative obligations, if any) required to be performed in connection with employee benefit plans of the Obligor have been performed on a timely basis;

(g) Each Obligor has filed all Tax returns which were required to be filed and paid all Taxes (including interest and penalties) which are due and payable; and

(h) All information provided by or on behalf of each Obligor to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is, true and accurate in all material respects on the date as of which such information was provided, not incomplete and does not omit to state any fact necessary to make such information (taken as a whole) not materially misleading at such time, in light of the circumstances under which such information was provided.

24. **Affirmative Covenants:** In addition to all other covenants and obligations contained herein, each Obligor agrees and covenants to perform and do each of the following until the DIP Facility is fully repaid or assigned with the written consent of the DIP Lender:

(a) Submit to the Court the Initial Order, the Amended and Restated Initial Order, and any other Court orders which are being sought by the Obligor in a form confirmed in advance to be satisfactory to the DIP Lender (acting reasonably), subject to any amendments that are required by the Court or the Obligors that are acceptable to the DIP Lender (acting reasonably);

(b) Comply with the provisions of Court orders made in the CCAA Proceeding, including the Initial Order and the Amended and Restated Initial Order;

(c) Allow the DIP Lender, its employees, agents, advisors and representatives access to all information and documentation of the Obligors, as may be reasonably requested by the DIP Lender, during normal business hours, in each case subject to applicable privacy laws and solicitor-client privilege;

(d) Upon the reasonable request of the DIP Lender, provide updates regarding the status of the CCAA Proceeding, including any information which may otherwise be confidential, subject to same being maintained as confidential by the DIP Lender;

(e) Preserve, renew, maintain and keep in full force its corporate existence and its Authorizations required in respect of the Business or any of the Collateral;

(f) Use all reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Obligors;

(g) Conduct the Business and preserve, protect and maintain the Collateral in the ordinary course of Business;

(h) Maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Obligor, the Business or any of the Collateral is insured;

(i) Except to the extent otherwise agreed by the DIP Lender (acting reasonably), pay all applicable Priority Payables and all other amounts necessary to preserve the Collateral to avoid any Encumbrance thereon and to carry on the business of each Obligor;

(j) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;

(k) Comply in all material respects with all applicable Laws; and

(l) Pay when due all principal, interest, fees and other amounts payable by the Obligor under this Agreement.

25. **Negative Covenants:** Each Obligor covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender from and after the date hereof:

(a) Make any payment of principal or interest in respect of Indebtedness existing as of the date of the Initial Order or declare or pay any dividends except as contemplated by the Approved Cash Flow;

(b) Except for the DIP Obligations, any Indebtedness secured by the Priority Charges, the Priority Payables, or any other Indebtedness incurred in the ordinary course of business, incur or permit to exist any Indebtedness, or provide or seek or support a motion by another party to provide Indebtedness;

(c) Except for the Priority Charges and the DIP Charge, create, permit to exist any Encumbrance, or provide or seek or support a motion by another party to provide an Encumbrance, upon any of the Collateral;

(d) Make any payments outside the ordinary course of the Business, unless provided for in the Approved Cash Flow;

(e) Make any investments in or loans to or guarantee the Indebtedness or obligations of any other Person or entity;

(f) Change its jurisdiction of incorporation or registered office;

(g) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other entity;

(h) Cease to carry on the Business as currently being conducted or materially change its operations or business practices;

(i) Sell, assign, lease, convey or otherwise dispose of any of the Collateral except for sales or disposals in the ordinary course of the Business, or except as may be approved by the Court;

(j) Except as otherwise contemplated in any Court order, establish or make any retention or bonus payments;

(k) Enter into any settlement agreement or agree to any settlement arrangements with any regulatory authority or in connection with any material litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against the Obligor;

(l) Enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any Obligor would become the property of any other Person or Persons; and

(m) Amend or seek to amend the Initial Order, or the Amended and Restated Initial Order, except to amend and restate the Initial Order as may be permitted by this Agreement.

26. **Sales and Investment Solicitation Process:** The Borrowers and the DIP Lender agree that the Borrowers (in consultation with the Monitor) shall pursue a sales and investment solicitation process (the "**SISP**") approved pursuant to a Court order in respect of potential Restructuring Transactions and the SISP shall include the following milestones:

(a) the deadline for the commencement of the SISP will be no later than six months after the issuance of the Initial Order; and

(b) the final deadline for the closing of a transaction resulting from the SISP will be no later than 24 months after the commencement of the SISP,

provided that the Borrowers may extend each of the foregoing dates in accordance with the Court order approving the SISP.

27. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Any Court order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacating, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interest of the DIP Lender in a material manner, unless the DIP Lender has given its prior written consent thereto, including the issuance of a Court order:

(i) appointing a receiver and manager, receiver, interim receiver or similar official in respect of an Obligor;

(ii) terminating, lifting or amending the stay imposed within the CCAA Proceeding in a manner which, in the opinion of the DIP Lender, acting reasonably, is materially prejudicial to the DIP Lender;

(iii) granting any other claim or Encumbrance of equal or priority status to that of the DIP Charge, other than the Priority Charges or the Priority Payables; or

(iv) staying, reversing, vacating or otherwise modifying this Agreement or prejudicially affecting the DIP Lender or the Collateral;

(b) Failure of an Obligor to diligently oppose any party that brings an application or motion for any of the relief set out in subsection 27(a) above and/or the failure to secure the dismissal of such motion or application within 30 days from the date that such application or motion is brought (provided no affirmative Court order is issued on such motion or application during such period);

(c) The CCAA Proceeding is terminated or converted to bankruptcy proceedings;

(d) Failure of an Obligor to pay any amounts when due and owing hereunder;

(e) The Obligor ceases to carry on or maintain the Business or its assets in the ordinary course of the Business in compliance with the covenants contained in this Agreement, except where such cessation is otherwise consented to in advance in writing by the DIP Lender;

(f) Any representation or warranty made or given hereunder by any Obligor shall be incorrect or misleading in any material respect when made;

(g) Any material violation or breach of any court order by an Obligor;

(h) Failure of an Obligor to perform or comply with any term or covenant of this Agreement, including the failure to achieve the SISP milestones in accordance with section 26;

(i) Any proceeding, motion or application is commenced or filed by the Obligors, or if commenced by another party, supported or otherwise consented to by the Obligors, seeking the invalidation, subordination or other challenging of the terms of the DIP Facility, the DIP Lender's Charge, or this Agreement;

(j) If an Obligor makes any material payments of any kind not permitted by this Agreement, the Approved Cash Flow or any order of the Court; or

(k) Any plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender if such plan does not either provide for the repayment of the obligations under

the DIP Facility in full by the Maturity Date, or designate the DIP Lender as unaffected by such plan.

28. **Remedies:** Upon the occurrence and continuance of an Event of Default which has not been cured by the Borrowers within 30 days of receiving written notice of such Event of Default by the DIP Lender, the DIP Lender may in its discretion, elect on prior written notice to the Borrowers and the Monitor to:

(a) set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable;

(b) terminate the DIP Facility;

(c) apply for a Court order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;

(d) exercise the powers and rights of a secured party; and

(e) exercise all such other rights and remedies available to the DIP Lender hereunder, or pursuant to the Initial Order and applicable Law.

29. **Taxes:** All payments by an Obligor under this Agreement, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon the occurrence and continuance of an Event of Default, shall be made free and clear of, without reduction for or on account of, any present or future Taxes; provided, however, that if any Taxes are required by applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to the DIP Lender under this Agreement, the amounts so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable hereunder at the rate or in the amount specified hereunder and the Obligors shall provide evidence satisfactory to the DIP Lender that the Taxes have been so withheld and remitted.

30. **Termination by Borrowers** The Borrowers shall be entitled to terminate this Agreement upon notice to the DIP Lender: (a) in the event that the DIP Lender has failed to fund any Advance when required to do so under this Term Sheet, or (b) at any time following the payment in full in immediately available funds of all of the outstanding DIP Obligations. Effective immediately upon such termination, all obligations of the Obligors and the DIP Lender under this Agreement shall cease, except for those obligations that explicitly survive termination. For greater certainty, all outstanding DIP Obligations in respect of all Advances funded prior to such termination shall become immediately due and payable concurrently with such termination and the

DIP Lender shall not be required to make any further extensions of credit under this Agreement.

31. **Further Assurances:** The Obligors shall, at their own expense, from time to time do, execute and deliver or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.

32. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties related to the subject matter hereof. To the extent there is any inconsistency between this Agreement and any other documents entered into in connection herewith, this Agreement shall prevail.

33. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement.

This Agreement may not be amended or waived except by an instrument in writing signed by each of the Obligors and the DIP Lender.

34. **Severability:** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity of enforceability of such provision in any other jurisdiction.

35. **No Third Party Beneficiary:** No Person, other than the Obligors and the DIP Lender are entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.

36. **Counterparts and Facsimile Signatures:** This Agreement may be executed in any number of counterparts delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

37. **Assignment:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

38. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person as set forth below:

in the case of a notice to the Obligors at:

c/o Baffinland Iron Mines Corporation
360 Oakville Place Dr., Suite 300
Oakville, Ontario L6H 6K8

Attention: **[Mark O'Brien]**
Email: **[mark.obrien@baffinland.com]**

with a copy (which shall not constitute notice) to:

Davies Ward Phillips & Vineberg LLP
155 Wellington St. W.
Toronto, ON M5V 3J7
Attention: Natalie Renner and Rob Nicholls
Email: nrenner@dwpv.com and rnicholls@dwpv.com

in the case of a notice to the DIP Lender at:

■

Attention: ■
Email: ■

In either case, with a copy to the Monitor:

FTI Consulting Canada Inc.

Attention: Jeffrey Rosenberg
Email: Jeffrey.rosenberg@fticonsulting.com

With a copy to, which shall not constitute notice:

Osler, Hoskin & Harcourt LLP
First Canadian Place, 100 King St. W. #6200
Toronto, ON M5H 1H1

Attention: Marc Wasserman and Michael De Lellis
Email: mwasserman@osler.com and mdelellis@osler.com

Any notice delivered or transmitted to a Person as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

39. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

40. **Definitions:** For the purposes of this Agreement, unless context otherwise requires, the following terms have the respective meanings set out below, and grammatical variations of such terms have corresponding meanings:

"**Advance**" has the meaning given to that term in Section 8;

"**Advance Notice**" has the meaning given to that term in Section 8;

"**Affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

"**Agreement**" means this Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

"**Amended and Restated Initial Order**" means an order, or orders, of the Court, in form and substance satisfactory to the DIP Lender (acting reasonably) and obtained on application made on notice to, such Persons as the DIP Lender and Obligors determine, acting reasonably, among other things, amending and restating the Initial Order, approving the DIP Facility, granting the DIP Charge and granting the Obligors an extension of the stay of proceedings;

"**Approved Cash Flow**" has the meaning given to that term in Section 14;

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority related to the Collateral or the Business;

"**Benefits Agreement**" means the impact benefits agreement between BIM Corp. and the Qikiqtani Inuit Association dated September 6, 2013, as amended on October 22, 2018, and as may be further amended, supplemented or amended and restated from time to time;

"**Borrowers**" has the meaning given to that term in the recitals;

"**Borrowers' Account**" has the meaning given to that term in Section 19;

"**Business**" means the business of iron ore mining at the Mary River Mine on Baffin Island in Nunavut, Canada.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

"**CCAA**" has the meaning given to that term in the recitals;

"**CCAA Proceeding**" has the meaning given to that term in the recitals;

"**Collateral**" means all now-owned and hereafter-acquired assets and property of the Obligors, real and personal, tangible or intangible and all proceeds therefrom, including the Borrowers' Account and all assets used in the Business;

"**Court**" has the meaning given to that term in the recitals;

"**Default**" means the occurrence or existence of any event, fact or circumstances, that with the giving of notice, passage of time, or both, would constitute an Event of Default;

"**Default Rate**" has the meaning given to that term in Section 12;

"**DIP Charge**" has the meaning given to that term in Section 17;

"**DIP Facility**" has the meaning given to that term in Section 7;

"**DIP Obligations**" has the meaning given to that term in Section 17;

"**DIP Security**" means security documents granted by the Obligors providing for a security interest in the Collateral and related personal property security registrations made in favour of the DIP Lender in connection with such security interest together with such confirmations, financing statements, renewals, amendments, discharges, insurance endorsements, opinions or other documents as may be reasonably requested by the DIP Lender as security for the DIP Obligations;

"**Encumbrances**" means any hypothec, encumbrance, lien, charge, pledge, deposit arrangement, mortgage, title retention agreement, trust, deemed trust, security interest of any nature, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, or any other arrangement or condition that in substance or effect secures payment or performance of an obligation, or any contract to create any of the foregoing;

"**Event of Default**" has the meaning given to that term in Section 27;

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hedging Obligations**" means, with respect to any Person, the net payment obligations of such Person outstanding under (a) interest rate or currency swap agreements, interest rate or currency cap, collar or floor agreements and (b) any other agreements or arrangements entered into in order to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates;

"**Indebtedness**" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all letters of credit, letters of guarantee and similar instruments, notes or other similar instruments, (c) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of

such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, (d) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (e) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, and (f) all obligations of such Person to otherwise assure a creditor against loss (for certainty, Hedging Obligations incurred by an Obligor in the ordinary course shall not be considered Indebtedness for purposes of this Agreement);

"**Indemnified Persons**" has the meaning given to that term in Section 22;

"**Initial Advance**" has the meaning given to that term in Section 8;

"**Initial Advance Conditions**" has the meaning given to that term in Section 15;

"**Initial Order**" means an order, or orders, of the Court, in form and substance satisfactory to the DIP Lender and obtained on application made on notice to, such Persons as the DIP Lender and Obligors determine, acting reasonably, among other things, granting the Obligors protection under the CCAA, appointing the Monitor, approving the DIP Facility, granting the DIP Charge and approving the Initial Advance;

"**Interest Payment Date**" has the meaning given to that term in Section 12;

"**Interest Period**" has the meaning given to that term in Section 7;

"**Interest Rate**" has the meaning given to that term in Section 12;

"**Law**" means any federal, provincial, county, territorial, district, municipal, local or foreign, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

"**Loan Amount**" has the meaning given to that term in Section 7;

"**Maturity Date**" has the meaning given to that term in Section 20;

"**Monitor**" means FTI Consulting Canada Inc., as the court-appointed monitor of the Borrowers and Nunavut Iron Ore Mines, Inc.;

"**Obligors**" has the meaning given to that term in Section 5;

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee;

"**Priority Charges**" has the meaning given to that term in Section 17;

"**Priority Payables**" means HST, all sales Tax and any amount payable or accrued by a Borrower which is secured by an Encumbrance which ranks or is capable of ranking prior to or *pari passu* with the

Encumbrances created in connection with the DIP Charge (other than the Priority Charges) including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, construction trusts or construction liens, and other statutory or other claims that have or may have priority over, or rank *pari passu* with, the Encumbrances created in connection with the DIP Charge;

"**Restructuring Transaction**" means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, plan or other material transaction of, or in respect of, the Obligors, or any of them, or all or a material portion of their Business, assets or obligations;

"**Royalty Agreements**" means, collectively, (i) the royalty agreement entered into among **[Baffin LP]**, 15877580 Canada Inc., ArcelorMittal Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc. dated March 25, 2024 and (ii) the royalty agreement entered into among **[Baffin LP]**, 16572367 Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc.;

"**Tax**" and "**Taxes**" means any taxes, duties, fees, premiums and assessments imposed by any Governmental Authority, including all interest, penalties, fines or additions to tax imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, excise, withholding, business, franchising, property, development, occupancy, payroll, health, social services, education, employment and all social security taxes, all surtaxes, all customs, duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, and other government pension plan premiums or contributions;

"**Updated Cash Flow**" has the meaning given to that term in Section 14; and

"**Withholding Taxes**" has the meaning given to that term in Section 29.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have causes this Agreement to be executed by their duly authorized representatives as of the date first written above.

DIP LENDER:

■

by _____

BORROWERS:

BAFFINLAND IRON MINES CORPORATION

by _____

BAFFINLAND IRON MINES LP, **by its general partner, BAFFINLAND IRON MINES CORPORATION**

by _____

GUARANTORS:

NUNAVUT IRON ORE, INC.

by _____

12334992 CANADA INC.

by _____

SCHEDULE A

APPROVED CASH FLOW

NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION and 12334992 CANADA INC.
Illustrative Consolidated Cash Flow Projections

($USD in millions)		*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*
Forecast Week Ending	**Note**	**Jun 5**	**Jun 12**	**Jun 19**	**Jun 26**	**Jul 3**	**Jul 10**	**Jul 17**	**Jul 24**	**Jul 31**	**Aug 7**	**Aug 14**	**Aug 21**	**Aug 28**	**Total**
Forecast Week	**[1]**	1	2	3	4	5	6	7	8	9	10	11	12	13	
Receipts															
Total Receipts		10.5	13.7	-	6.9	-	12.8	-	5.4	-	16.0	2.1	15.6	2.1	85.0
Total Commercial Payments		-	-	-	-	-	-	-	(1.9)	-	(3.2)	(3.2)	(3.2)	(3.2)	(14.5)
Total Receipts	**[2]**	**10.5**	**13.7**	**-**	**6.9**	**-**	**12.8**	**-**	**3.6**	**-**	**12.9**	**(1.1)**	**12.4**	**(1.1)**	**70.5**
Operating Disbursements															
Labour	**[3]**	(0.0)	(5.4)	(0.0)	(5.5)	(0.0)	(3.2)	(2.3)	(3.6)	(2.9)	(3.8)	(2.3)	(3.8)	(2.3)	(35.1)
Vendor Payments	**[4]**	(4.9)	(26.8)	(2.3)	(1.6)	(2.5)	(2.5)	(2.5)	(2.5)	(1.9)	(2.8)	(2.8)	(2.8)	(2.1)	(58.1)
Sealift Purchases	**[5]**	(0.5)	(5.1)	(5.1)	(11.9)	(4.6)	-	(21.8)	-	-	-	-	-	(21.8)	(70.9)
Equipment Leases		(0.0)	(0.2)	-	-	-	(0.6)	-	-	-	(0.2)	-	-	-	(1.0)
Sustaining Capital Costs	**[6]**	-	(4.7)	(4.7)	(4.7)	-	(0.9)	(0.9)	(0.9)	(0.9)	(0.6)	(0.6)	(0.6)	(0.6)	(20.0)
Total Operating & Sustaining Capital Costs		**(5.5)**	**(42.1)**	**(12.1)**	**(23.8)**	**(7.2)**	**(7.3)**	**(27.6)**	**(7.1)**	**(5.7)**	**(7.3)**	**(5.6)**	**(7.1)**	**(26.7)**	**(185.1)**
Overhead Costs	**[7]**	(1.3)	(0.7)	(0.8)	(0.7)	(0.5)	(0.6)	(0.5)	(0.3)	(1.4)	(0.8)	(0.4)	(0.5)	(0.4)	(8.9)
Exploration Costs	**[8]**	(0.8)	(0.8)	(0.8)	(0.8)	-	(1.1)	(1.1)	(1.1)	(1.1)	(0.9)	(0.9)	(0.9)	(0.9)	(11.4)
Steensby Project Costs	**[9]**	-	(2.8)	(2.8)	(3.5)	(1.8)	(1.8)	(1.8)	(1.8)	(2.5)	(2.3)	(2.3)	(2.3)	(11.6)	(37.4)
Other Costs	**[10]**	-	(4.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(2.4)	(0.5)	(0.5)	(0.5)	(11.4)
Net Cash Flow		**2.9**	**(36.8)**	**(17.1)**	**(22.3)**	**(10.0)**	**1.5**	**(31.5)**	**(7.3)**	**(11.3)**	**(0.9)**	**(10.8)**	**1.1**	**(41.3)**	**(183.7)**
Cash															
Beginning Balance (excl. Restricted Cash)		2.8	5.7	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	2.8
Net Cash Flow		2.9	(36.8)	(17.1)	(22.3)	(10.0)	1.5	(31.5)	(7.3)	(11.3)	(0.9)	(10.8)	1.1	(41.3)	(183.7)
Debt Advances (Repayments)	**[11]**	-	51.0	17.1	22.3	10.0	(1.5)	31.5	7.3	11.3	0.9	10.8	(1.1)	41.3	200.9
Ending Cash Balance		**5.7**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**

Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (collectively, the "Company")
Assumptions to the Cash Flow Forecast

The Company's cash flow forecast (the "Forecast") is presented in millions of United States dollars. Any estimates in Canadian dollars have been translated at a foreign exchange rate of 1.38:1.

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

[1] **Purpose:** The purpose of the Forecast is to estimate the Company's liquidity requirements during the period May 30, 2026 to August 28, 2026 (the "**Forecast Period**").

[2] **Receipts**: Receipts from the Company's off-take financing partner are based on forecast invoice amounts under the 2026 off-take agreement. Off-take receipts are received throughout the year, while inventory buyback and shipping sales occur during July to October each year. The Company has hedged approximately half of its 2026 production. Commercial Payments relate to shipping and freight costs associated with delivering sales.

[3] **Labour**: Forecast based on planned production levels at Mary River Mine and management and overhead labour required to support same. The Company is current with all labour costs and related CRA payments.

[4] **Vendor Payments**: Disbursements to commercial vendors, freight suppliers, government entity payments and various other operating costs required to facilitate continued mine operations. Includes an estimated amount that may be required to be paid to critical vendors for pre-filing amounts. Also includes amounts owed to the Qikiqtani Inuit Association and related parties in accordance with the Benefits Agreement as of May 15, 2026.

[5] **Sealift Purchases**: Disbursements for consumables, freight, fuel and vendor pre-payment amounts required for shipment of goods to the Mary River Mine during the Sealift window.

[6] **Sustaining Capital Costs**: Capital costs necessary to support and maintain operations at the Mary River Mine.

[7] **Overhead Costs**: Payments for office general and administrative expenses, land lease payment to the QIA and insurance instalment payments.

[8] **Exploration**: Exploration costs are associated with location identification, discovery, and quantity and quality assessments of deposits in the Mary River Mine area.

[9] **Steensby Project Costs**: Costs to advance the Steensby project, as well as stripping costs for movement of surface material usable towards the Steensby Railway.

[10] **Other Costs**: Professional Fees, Interest costs, and costs to support LC issuance.

[11] **Liquidity:** The Company estimates it will require approximately $201 million of liquidity for the period May 30, 2026 to August 28, 2026 under the set of assumptions outlined above and included in the Forecast. The Forecast assumes, among other things, that (i) the company continues on a growth oriented mining plan and continues to incur associated stripping costs in order to achieve 22 Mtpa of iron ore production capacity by 2030, (ii) all major sealift items (fuel, parts, tires) continue to be cash purchased (and not brought to site on consignment), and (iii) major site services and related overheads remain unchanged. Note that the Forecast does not include amounts for interest, fees or other cost of capital considerations.

This is Exhibit “F” 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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

DIP FACILITY LOAN AGREEMENT

DATED AS OF ~~May 30~~JUNE 3, 2026

WHEREAS Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, the "**Borrowers**") have requested the DIP Lender (defined below) to provide funding, in connection with the Borrowers' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice – Commercial List (the "**Court**"), in accordance with the terms and conditions set out herein (the "**CCAA Proceeding**");

AND WHEREAS FTI Consulting Canada Inc. has been appointed as monitor of the Borrowers and the Guarantors (in such capacity, the "**Monitor**") pursuant to the Initial Order.

~~**AND WHEREAS** the DIP Lender has agreed to provide the DIP Facility (defined below) in accordance with the terms and conditions set out below.~~

AND WHEREAS Export Development Canada ("**EDC**") is party to a Credit Agreement with the Borrowers dated as of October 7, 2022, as amended from time to time, pursuant to which EDC provided a secured credit facility to the Borrowers on the terms set out therein (the "**Pre-Filing Facility**").

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (defined below) in accordance with the terms and conditions set out below.

NOW THEREFORE, in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1.	**Defined Terms:**	A capitalized term not defined in the body of this Agreement has the meaning ascribed to it in the Definitions section below.
2.	**Interpretation:**	In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation". The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to Sections or Schedules are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise.
3.	**Currency:**	Unless otherwise stated, all monetary denominations shall be in lawful currency of the United States of America.
4.	**Borrowers:**	Baffinland Iron Mines Corporation ("**BIM Corp**") and Baffinland Iron Mines LP ("**Baffin LP**").
5.	**Guarantors:**	Nunavut Iron Ore, Inc. and 12334992 Canada Inc. (collectively, the "**Guarantors**" and collectively with the Borrowers, the "**Obligors**").

6.	**DIP Lender:**	His Majesty in Right of Canada, as represented by EDC (the "**DIP Lender**"), ~~as represented by EDC. For greater certainty, funding for the DIP Facility is provided by the Government of Canada~~.
7.	**DIP Facility:**	A senior secured, super-priority, debtor-in-possession, interim, revolving credit facility (the "**DIP Facility**") up to a maximum principal amount of US$400,000,000 in a Finished Product Funding Scenario (as defined below), increased to a maximum of US$475,000,000 in the event of a Finished Product Non-Funding Scenario (as defined below) ("**Facility Amount**"), subject to the terms and conditions contained herein. The Borrowers shall be entitled to prepay amounts under the DIP Facility, without premium or penalty, and re-borrow amounts hereunder, subject to the terms and conditions herein and in all cases in an aggregate principal amount up to the Facility Amount.
8.	**DIP Advances:**	Advances (each, an "**Advance**") shall be made in two-week intervals (or as otherwise agreed by the Borrowers and DIP Lender) with the principal amount of the aggregate Advances outstanding being no more than the Facility Amount. The DIP Lender shall deposit, into the Borrowers' Account, each Advance, other than the Initial Advance (defined below) within one (1) Business Day following the date on which the Advance Conditions are satisfied and the Borrowers deliver to the DIP Lender an Advance confirmation certificate in form reasonably satisfactory to the DIP Lender, which shall include a reconciliation to the Approved Cash Flow (an "**Advance Confirmation Certificate**"). The Advance Confirmation Certificate shall certify that (i) all representations and warranties of the Obligors contained in this Agreement remain true and correct as of such date in all material respects both before and after giving effect to the use of such proceeds, (ii) no Default or Event of Default then exists and is continuing or would result therefrom; and (iii) the Advance is required ~~in accordance with~~for expenditures identified in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) ~~(subject to Permitted Variances)~~ and shall be used solely in accordance with this Agreement. Advances under the DIP Facility in the aggregate principal amount of up to US$110,000,000 (the "**Bridge Advances**") shall be made available to the Borrowers during the four week period beginning on the date of the Second Amended and Restated Initial Order (the "**Bridge Period**"), subject to satisfaction of the Advance Conditions and delivery of an Advance Confirmation Certificate one (1) Business Day prior to each Advance during such period (other than the first advance under the DIP Facility (the "**Initial Advance**") which shall be advanced to the Borrower on the date of the Second Amended and Restated Initial Order in accordance with an Advance Confirmation Certificate delivered by the Borrower to the DIP Lender no later than the granting of the Second Amended and Restated Initial Order). Notwithstanding anything else to

the contrary herein, fees accruing on or levied in relation to or in respect of the Bridge Advances shall not be payable by the Obligors, and no Obligors shall be liable for the payment of such amounts, whether as Indebtedness or as an obligation or liability of any kind, nor shall such amounts form a part of the DIP Obligations during the Bridge Period. For greater certainty, interest shall accrue and be payable on the Bridge Advances pursuant to the terms hereof and reasonable, documented, out of pocket legal expenses of the DIP Lender will be payable in connection with the Bridge Advances pursuant to the terms hereof. In the event the DIP Facility is not refinanced ~~by the DIP Lender~~ during the Bridge Period (which refinancing is only permitted in full), the fees that have accrued or would have otherwise been payable to the DIP Lender pursuant to the terms hereof and any professional fees or expenses that would have otherwise been payable hereunder by the Borrowers, in each case but for the limitations provided herein, shall be deemed to have accrued and shall be payable from the date of the Initial Advance to but excluding the last day of the Bridge Period and shall form a part of the DIP Obligations. If the Bridge Facility is so refinanced, no such fees or professional fees and expenses (other than reasonable, documented, out of pocket legal fees and expenses of the DIP Lender) shall be owing or payable by the Obligors.

The Borrowers hereby confirm that during the Bridge Period no alternative proposals for interim financing will be solicited or accepted by the Borrowers.

9. **Use of Proceeds:** The proceeds of the DIP Facility shall be used solely by the Borrowers for items provided in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and in amounts ~~(subject to Permitted Variances)~~ in accordance with the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and in accordance with the orders of the Court in the CCAA Proceedings. No proceeds may be used for any other purpose except with the prior written approval of the DIP Lender, acting reasonably.

10. **Assignment by the Borrowers:** The Borrowers shall not be permitted to assign this Agreement without the prior written consent of the DIP Lender.

11. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender's register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

12. **Interest and Fees:** All amounts owing by the Borrowers hereunder to the DIP Lender on account of principal, overdue interest and expenses shall bear interest at a rate equal to the Citibank prime rate from time to time plus 4.75% per annum (the "**Interest Rate**"). To the extent permitted by Law, effective upon the occurrence of and during the continuance of an Event of

Default, all amounts owing to the DIP Lender hereunder by the Borrowers on account of principal, overdue interest, and fees and expenses for which payment is overdue shall bear interest at the Interest Rate plus an additional 2% per annum (the Interest Rate, as increased, the "**Default Rate**").

All interest and, where applicable, fees hereunder shall be computed on the basis of a year of 365 or 366 days (as applicable) and shall accrue and be calculated daily and, in the case of interest, payable in cash, monthly in arrears on the last Business Day of each month (each, an "**Interest Payment Date**"); provided that unless otherwise agreed by the DIP Lender, interest accruing at the Default Rate shall be payable in cash on demand, both before and after demand and judgment.

In the case of an Advance, the first interest period shall commence on and include the date of such Advance and shall end on and exclude the next following Interest Payment Date. Thereafter, in the case of such Advance, the interest period shall commence on and include the Interest Payment Date and end on and exclude the next Interest Payment Date or the Maturity Date, whichever is earlier.

In consideration of the DIP Lender's provision of the DIP Facility, the Borrowers shall pay to the DIP Lender a fee in the amount of 2% of the Facility Amount, which shall be payable upon the first Advance under the DIP Facility after the Bridge Period.

In further consideration of the DIP Lender's entry into the DIP Facility, the Borrowers shall pay to the DIP Lender a commitment fee for each day from the date of the Second Amended and Restated Initial Order to and including the Maturity Date equal to (A) 1.5% multiplied by (B) the average daily amount of the Unused Commitment (the "**Commitment Fee**").

The Commitment Fee shall be computed on the basis of a year of 365 or 366 days (as applicable) and shall accrue and be calculated daily and be payable in cash at the Maturity Date.

"**Unused Commitment**" means that portion of the Facility Amount, in US dollars, that is not advanced or otherwise utilized as Finished Product Credit Support on the applicable day. For greater certainty, if the Finished Product ~~Funding~~Non-Funding Election (as defined below) is delivered by the Borrowers in accordance with the terms hereof, then the Facility Amount for each day following the Finished Product ~~Funding~~Non-Funding Election shall be deemed to be US$~~400,000,000~~475,000,000 (less any ~~further~~ reductions pursuant to Section 14 below) when determining the daily Unused Commitment.

The DIP Lender hereby confirms that no additional fees will be accrued in the event of any amendment, consent, waiver or accommodations that the DIP Lender may agree to provide, in their sole discretion, pursuant the terms hereof, other than reasonable, documented, out-of-pocket expenses in connection with implementation of such amendment,

consent, waiver or accommodation or additional interest and fees that accrue solely from any increase in the Facility Amount.

13. **Other Costs and Expenses:** Subject to the limitations in Section 8, the Borrowers shall pay all reasonable and documented third-party out-of-pocket costs and expenses of the DIP Lender, including outside counsel and financial advisory fees payable to BMO Capital Markets, ~~Norton Rose Fulbright Canada LLP (as counsel to EDC) and Goodmans LLP (as counsel to the Government of Canada),~~ for all reasonable due diligence and transaction advice, and all reasonable and documented out-of-pocket fees, expenses and disbursements of outside counsel in connection with the preparation, negotiation and consummation of this Agreement and the administration of the DIP Facility, including any reasonable and documented third-party out-of-pocket costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder or under the DIP Security.

14. **Approved Cash Flow:** The cash flow projection submitted to the Court on the motion for the Second Amended and Restated Initial Order and accepted by the Monitor for the 13-week period following the Second Amended and Restated Initial Order, but excluding any Excess Expansion and Exploration Expenses shall be the initial "**Approved Cash Flow**". The Approved Cash Flow shall include provision for: (i) the reasonable and documented professional fees and expenses of the Monitor and its counsel and counsel for the Obligors, (ii) interest, fees and other amounts owing to the DIP Lender under this Agreement, (iii) royalty payments under each of the Royalty Agreements when due and payable; provided such Royalty Agreement is properly registered on title, and the Monitor's counsel is of the view that the royalty granted under such Royalty Agreement is a valid royalty at law and runs with the land, (iii) cash collateral required to support letters of credit issued by financial institutions; (iv) the reasonable and documented out-of-pocket expenses of the DIP Lender under this Agreement; and (v) the Borrowers' funding requirements during the period of the Approved Cash Flow, including, without limitation, in respect of the pursuit of the SISP and the working capital and other general corporate funding requirements of the Borrowers during such period, including amounts payable under the Benefits Agreement, and the costs and expenses associated with the CCAA Proceeding.

The Borrowers, with the assistance of the Monitor, may from time to time, but no more frequently than once per calendar month (unless otherwise consented to by the DIP Lender), present the DIP Lender with a revised budget substantially in the form of the then current Approved Cash Flow (the "**Updated Cash Flow**"). Subject to the written approval of the DIP Lender, in its reasonable discretion, the Updated Cash Flow shall thereafter be deemed to be the effective Approved Cash Flow for the purposes hereof.

If the DIP Lender has not approved an Updated Cash Flow at the time the then current Approved Cash Flow expires, the prior Approved Cash

Flow shall remain in effect and each line item therein shall roll forward for a four-week period with disbursement lines for operating costs set forth in the then applicable Approved Cash Flow being rolled forward, and all other line items being limited to any unused portion of the amount set forth for such line item in the prior Approved Cash Flow. The above four-week roll forward period shall be extended for subsequent consecutive four-week periods for as long as good faith discussions are continuing between the Borrowers and the DIP Lender to arrive at an approved Updated Cash Flow.

On the second to last Business Day of every fourth week, the Borrowers shall deliver to the Monitor and the DIP Lender and its legal counsel a variance calculation (the "**Variance Report**") setting forth actual receipts and disbursements for the preceding four weeks ending on the preceding Friday (each a "**Testing Period**") and on a cumulative basis as against the then-current Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses), and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof for such Testing Period in the Approved Cash Flow; each such Variance Report is to be promptly discussed with the DIP Lender and its legal and financial advisors. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant Testing Period.

The Approved Cash Flow will contemplate that a Finished Product Funder (a) continues to provide payments in the ordinary course (the "**Finished Product Funding Scenario**") pursuant to its pre-filing contractual purchase arrangements; and (b) provides similar finished product funding from October 2026 until October 2027. In the event a Finished Product Funder does not make payments in accordance with its contractual obligations and/or a new finished product funding arrangement is not entered into by ~~August 31~~September 30, 2026 for the October 2026 through September 2027 period (the "**Finished Product Non-Funding Scenario**"), the Approved Cash Flow shall expire on ~~August 31~~September 30, 2026 and be replaced in form and substance satisfactory to the DIP Lender, acting reasonably, on or prior to ~~August 31~~September 30, 2026 for all periods following ~~the earlier of (i) the Finished Product Funder's failure to make payments in accordance with its contractual obligations or (ii) October 1, 2026. For greater certainty, the Facility Amount will be US$475,000,000 in a Finished Product Non-Funding Scenario.~~October 1, 2026.

In a Finished Product Non-Funding Scenario, the Borrowers may elect, no later than October 1, 2026 (the "**Finished Product Non-Funding Election**") to:

(i) increase the Facility Amount by an amount up to US$75,000,000; or

(ii) on terms acceptable to the DIP Lender, obtain credit support from the DIP Lender for Finished Product Funders to

maintain or obtain finished product funding arrangements for the duration of the term hereof (the "**Finished Product Credit Support**") in an amount up to US$75,000,000 less any increase to the Facility Amount in (i) above.

If the Borrowers determine on or prior to September 30, 2026 that the Finished Product Funder will continue to provide payments in the ordinary course ~~and~~, the Finished Product Non-Funding Scenario will not arise~~, then upon written notice by the Borrowers to the DIP Lender that must be delivered no later than August 31, 2026, the Borrowers may reduce~~ and Finished Product Credit Support is no longer necessary, then the Facility Amount ~~permanently to~~will remain a maximum principal amount of US$400,000,000~~ (the "**Finished Product Funding Election**")~~.

For the purposes of this Agreement, the Approved Cash Flow shall include all supporting documentation provided in respect thereof to the DIP Lender.

For greater certainty, any finished product arrangements with a Finished Product Funder entered into after the date hereof must be in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender.

14A **Permitted Variances**

The obligations herein requiring the Obligors to comply with or act in accordance with the Approved Cash Flow are subject to any Permitted Variances that arise from either (i) non-forecasted reductions in cash inflows; (ii) disbursements for non-forecasted and non-discretionary expenditures; or (iii) non-forecasted disbursements required to obtain continued supply for essential suppliers.

15. **Conditions Precedent to the Initial Advance**

The DIP Lender's obligation to make the Initial Advance hereunder from the Loan Amount is subject to and conditional upon, the satisfaction of all of the following conditions precedent (the "**Initial Advance Conditions**"):

(a) The Obligors shall have executed and delivered this Agreement;

(b) the Court shall have issued the Second Amended and Restated Initial Order in form and substance satisfactory to the DIP Lender, acting reasonably, among other things:

(i) authorizing and approving this Agreement;

(ii) granting the DIP Charge and the priority of the DIP Charge contemplated in this Agreement;

(iii) granting a stay of proceedings until a date that is at least ~~[~~nine (9) weeks~~]~~ after the date of the Second Amended and Restated Initial Order; and

(iv) providing for provisional execution, or other satisfactory protection, in respect of any and all Advances made and/or Liens and/or charges granted for the DIP Loans, including the DIP Charge;

and the operation and effect of such order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired), unless otherwise agreed by the DIP Lender, in ~~their~~its reasonable discretion;

(c) no Default or Event of Default shall have occurred and be continuing or will occur as a result of the Initial Advance;

(d) The DIP Lender shall have received an Advance Confirmation Certificate in accordance with the terms hereof; and

(e) there shall be no Encumbrances on the Collateral ranking in priority to or *pari passu* with the DIP Charge other than as expressly permitted by the terms hereof.

16. **Conditions Precedent to Advances of the Facility Amount:** The DIP Lender's agreement to make any Advances available from the Facility Amount (other than the Initial Advance) is subject to, and conditional upon, the satisfaction of all of the following conditions precedent (the "**Advance Conditions**"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:

(a) the Second Amended and Restated Initial Order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired), unless otherwise agreed by the DIP Lender, in ~~their~~its reasonable discretion;

(b) The DIP Lender shall have received an Advance Confirmation Certificate in accordance with the terms hereof;

(c) Subject to Section 8, all reasonable and documented third-party out-of-pocket expenses payable to the DIP Lender hereunder have been paid or will be paid from the proceeds of the requested Advance on the date of the applicable Advance;

(d) There shall be no Encumbrances on the Collateral ranking in priority to or *pari passu* with the DIP Charge other than as expressly permitted by the terms hereof;

(e) No Default or Event of Default shall have occurred and be continuing or will occur as a result of the requested Advance; and

(f) The requested Advance shall be in accordance with an Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) that is effective at the time

of such Advance.

17. **DIP Charge:** All of the obligations of the Obligors under or in connection with the DIP Facility, including without limitation, all principal, interest, fees, Finished Product Credit Support, and amounts owing in respect of reasonable and documented third-party out-of-pocket expenses of the DIP Lender and the indemnification obligations owed to the DIP Lender hereunder (collectively, the "**DIP Obligations**"), shall be secured by a Court-ordered charge on the Collateral in favour of the DIP Lender (the "**DIP Charge**").

The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral other than (i) the administration charge not exceeding US$5,000,000, (ii) the directors and officers charge not exceeding US$20,400,000, and (iii) in respect of the Cash Collateral (as defined in the Amended and Restated Initial Order) (collectively, the "**Priority Charges**"), unless otherwise consented to by the DIP Lender in writing.

18. **DIP Security:** The Guarantors hereby jointly and severally guarantee in favour of the DIP Lender the payment and performance of the DIP Obligations of the Borrowers.

The DIP Lender shall be permitted to request DIP Security (in form and substance reasonably satisfactory to the DIP Lender) from the Obligors at any time. The DIP Security shall continue as a first priority Encumbrance on the Collateral in favour of the DIP Lender subject to subordination only in respect of the Priority Charges. For greater certainty, the delivery of DIP Security shall not be a condition precedent to Advances as set out in Section 15 or 16.

19. **Borrowers' Account:** Advances shall be deposited into a bank account to be designated by the Borrowers at a financial institution in Canada ~~and~~, reasonably acceptable to the DIP Lender (the "**Borrowers' Account**") and utilized by the Borrowers in accordance with the terms of this Agreement.

20. **Prepayments:** The Borrowers may, in their discretion, prepay any amounts outstanding under the DIP Facility, without fee or penalty, at any time prior to the Maturity Date (as defined below).

In the event the Borrowers hold Excess Cash, the amounts outstanding under the DIP Facility shall be prepaid in an amount equal to such Excess Cash on the date that such Excess Cash is reported to the DIP Lender.

"**Excess Cash**" means any aggregate Unrestricted Cash balance in excess of US$20,000,000 determined as at the date of delivery of any Variance Report required hereunder.

"**Unrestricted Cash**" means any cash that (i) is not required (as determined by the Borrowers, acting reasonably) for expenditures to be paid by the Borrowers before the date of the next Advance, and (ii) is not posted as Cash Collateral.

21. **Repayment and Maturity Date:** All DIP Obligations shall be due and payable on the earliest of the occurrence of any of the following:

(a) The date ~~on~~ which is five (5) Business Days after which demand is made following the occurrence of any Event of Default which is continuing as of such date;

(b) The date that is the 12-month anniversary of the granting of the Second Amended and Restated Initial Order, which may be extended at the election of the Borrowers for up to six months, in exchange for the Extension Fee, in the event that a Restructuring Transaction in form and substance acceptable to the DIP Lender and that would repay the DIP Obligations owing to the DIP Lender in full, has been approved by the Court and remains conditional only upon any approvals required from any Governmental Authority;

(c) The closing of a Restructuring Transaction; or

(d) The date on which the CCAA Proceedings are terminated.

(such earliest date, the "**Maturity Date**").

The DIP Lender's commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be fully repaid no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or Guarantors or to give notice that the DIP Facility has expired and that the obligations thereunder are due and payable.

The DIP Obligations shall be unaffected in any plan of compromise or arrangement and in any other Restructuring Transaction involving any of the Borrowers or the Guarantors (a "**Plan**"), other than after the payment in full in cash to the DIP Lender of all DIP Obligations on or before the date such Plan is implemented.

Unless otherwise consented to in writing by the DIP Lender, the net cash proceeds of any sale, realization or disposition of, or with respect to, any of the Collateral (including obsolete, excess or worn-out Collateral) out of the ordinary course of business (for greater certainty, net of transaction fees and applicable taxes in respect thereof), or any insurance proceeds (net of expenses incurred by the applicable Obligor in connection therewith, including transaction fees and applicable taxes in respect thereof) (each "**Net Proceeds**") paid to the Borrowers or Guarantors in respect of Collateral, shall be paid to the DIP Lender and applied to reduce the DIP Obligations and permanently reduce and cancel an equivalent portion of the Facility Amount in an amount equal to the Net Proceeds of such sale, realization, disposition or insurance; provided that, if the applicable Obligor requests an amount equal to or less than such Net Proceeds to repair or replace the affected Collateral,

subject to such Obligor's written notice thereof to the DIP Lender promptly following the sale, realization, disposition or casualty event in respect of insurance proceeds then the Facility Amount shall not be reduced by such amount and such amount shall remain available under the DIP Facility solely for the repair or replacement of the affected Collateral.

22. **Payments:** All payments of principal, interest, fees and expenses hereunder, if applicable, shall be made for value in the full amount due at or before 12:00 noon (Eastern time) on the day such amount is due by deposit or transfer thereof to the DIP Lender or as the DIP Lender may direct. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment. Each payment to be made by the Borrowers under this Agreement shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. If any expenses incurred by the Borrowers after the date of this Agreement are not paid by the Borrowers, the DIP Lender may, but shall have no duty to do so, pay all such expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

23. **Indemnity:** Subject to section 8, the Obligors agree to indemnify and hold harmless the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, and its Affiliates, partners and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or reasonable and documented third-party out-of-pocket expenses of any kind or nature whatsoever which may be incurred by any of the Indemnified Persons (collectively, the "**Claims**") as a result of, in connection with or in any way related to the DIP Facility, the CCAA Proceedings, any bankruptcy and insolvency proceedings in respect of the Obligors, the priority of the DIP Charge, the proposed or actual use of the proceeds of the DIP Facility or this Agreement; provided, however, that the Obligors shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any Claim (a) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, ~~or~~ (b) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Obligors, or (c) to the extent arising from a breach by an Indemnified Person of an agreement between such Indemnified Person and a third party. The Obligors shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

The indemnities granted under this Agreement shall survive any termination of the DIP Facility.

24. **Representations and Warranties:** Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender has relied in entering into this Agreement that:

(a) The transactions contemplated by this Agreement and upon the granting of the Second Amended and Restated Initial Order:

(i) are within the powers of the Obligor and constitute legal, valid and binding obligations of the Obligor;

(ii) have been duly authorized, executed and delivered by or on behalf of the Obligor; and

(iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any Material Contracts to which it is a party or pursuant to which any of its assets or property may be affected;

(b) Each Obligor has been duly incorporated or formed and is validly existing under the law of its jurisdiction of its formation;

(c) Each Obligor owns its assets with good and marketable title thereto;

(d) The Business has been and will continue to be conducted in material compliance with all applicable Laws and Authorizations of each jurisdiction in which the Business has been or is being carried on subject to the provisions of the CCAA and any Court order made after the date of the Initial Order;

(e) Each Obligor has obtained any material Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect. No proceedings have been commenced to revoke or amend any such Authorizations;

(f) The Obligors maintain adequate insurance coverage, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(g) Each Obligor does not have any defined benefit pension plans or similar plans and is in material compliance with all applicable Laws respecting its employees' employment and all collective bargaining agreements to which it is a party or otherwise bound;

(h) Each Obligor is current on its post-CCAA filing payment obligations for rent and other occupancy costs and expenses in respect of any premises that it leases;

(i) The Obligors have maintained and paid current their obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and are not in arrears of their statutory obligations to pay or remit any amount in respect of these obligations;

(j) All obligations of each Obligor (including fiduciary, funding, investment and administrative obligations, if any) required to be performed in connection with employee benefit plans of such Obligor have been performed on a timely basis;

(k) Except as otherwise disclosed to the DIP Lender ~~on Schedule "A" hereto~~in writing in connection with entry into this Agreement, each Obligor has filed all Tax returns which were required to be filed and paid all Taxes (including interest and penalties) which are due and payable, except for charges, fees or dues which are not material in amount or which are not delinquent or if delinquent are being contested in good faith by appropriate proceedings;

(l) Other than potential proceedings in connection with the Second Amended and Restated Initial Order to be sought by the Borrower, or this DIP Facility, or as stayed pursuant to the Amended and Restated Initial Order or the Second Amended and Restated Initial Order (once granted), there is not now pending or, to the knowledge of any of the senior officers of any of the Borrowers, threatened against any of the Borrowers, nor has any Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body in each case that would reasonably be expected to be material and adverse to the Obligors, taken as a whole;

(m) ~~All~~As of the date hereof, all Material Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms, subject to the stay of proceedings granted by the Court in the CCAA Proceedings, and no Borrower has any knowledge of any default by any party (including counterparties) that has occurred and is continuing thereunder (other than, in each case, those defaults arising as a result of or relating to the insolvency of the Borrowers or any of their affiliates or the commencement of the CCAA Proceedings);

(n) ~~There~~ Except as otherwise disclosed to the DIP Lender in writing in connection with the entry into this Agreement, there are no agreements of any kind between any of the Obligors and any other third party or any holder of debt or any equity securities of an Obligor with respect to any Restructuring Transaction;

(o) No Default or Event of Default has occurred and is continuing;

(p) All of the Obligors' ~~real property interests, Material Contracts,~~ agreements in respect of Indebtedness and security therefor, Encumbrances affecting the Collateral, ~~insurance policies, agreements or~~or other commercial arrangements, in each case with related parties or associates or Affiliates of related parties, or agreements or commercial arrangements entered into as a condition ~~to~~of the foregoing, in effect currently ~~or during the 2025 calendar year~~(other than agreements solely between Obligors)

have been disclosed to the DIP Lender ~~on Schedule "A" hereto~~in writing in connection with entry into this Agreement;

(q) All financial statements of the Obligors for the 2025 financial year have been provided to the DIP Lender and have been prepared in compliance with IFRS as applicable in Canada and do not contain any material misstatements;

(r) The Obligors are subject to no material environmental, labour, pension or employee benefits liabilities or obligations that are overdue, and are not the subject of any material environmental, labour, pension or employee benefits violations; and

(s) All information provided by or on behalf of each Obligor to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is, true and accurate in all material respects on the date as of which such information was provided, not incomplete and does not omit to state any fact necessary to make such information (taken as a whole) not materially misleading at such time, in light of the circumstances under which such information was provided.

25. **Affirmative Covenants:** In addition to all other covenants and obligations contained herein, each Obligor agrees and covenants to perform and do each of the following until the DIP Facility is fully repaid:

(a) Provide the DIP Lender and its counsel draft copies of and the opportunity to review all motions, applications, proposed Court orders and other materials or documents that the Borrowers or Guarantors intend to file in the CCAA Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible on or prior to the date on which such motion, application, proposed Court order or other materials or document is served on the service list in respect of the CCAA Proceeding;

(b) Take all commercially reasonable actions necessary or available to defend the Second Amended and Restated Initial Order, and any other orders of the Court in the CCAA Proceedings to the extent relating to the DIP Facility or any other matter that affects the DIP Lender adversely in any material respect, from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the DIP Lender;

(c) Submit to the Court the Second Amended and Restated Initial Order, and any other Court orders which are being sought by the Obligor in a form confirmed in advance to be satisfactory to the DIP Lender to the extent relating to the DIP Facility or any other matter that affects the DIP Lender in any material respect, subject to any amendments that are required by the Court or the Obligors that are acceptable to the DIP Lender to the extent relating to the DIP Facility or any other matter that affects the DIP Lender in any material respect;

(d) Comply with the provisions of Court orders made in the CCAA

Proceeding, including the Second Amended and Restated Initial Order;

(e) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, permit or license;

(f) Allow the DIP Lender, its employees, agents, advisors and representatives access to all information and documentation of the Obligors, as may be reasonably requested by the DIP Lender, during normal business hours, in each case subject to applicable privacy laws and solicitor-client privilege;

(g) Cause management~~,~~ and the transaction advisor ~~and legal counsel~~ of the Borrowers to cooperate with reasonable requests for information by the DIP Lender ~~and its legal and financial advisors~~ in connection with matters reasonably related to the DIP Facility, the CCAA Proceedings, the SISP (as defined below) or compliance of the Obligors with their obligations pursuant to this Agreement;

(h) Deliver to the DIP Lender the reporting and other information from time to time reasonably requested by the DIP Lender and as set out in this Agreement including, without limitation, the Variance Reports at the times set out herein;

(i) Use the proceeds of the DIP Facility only in accordance with the restrictions set out in this Agreement and pursuant to the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and Court orders;

(j) Comply with the Milestones (as defined below);

(k) Preserve, renew, maintain and keep in full force and effect its corporate existence and the material Authorizations required in respect of the Business or any of the Collateral;

(l) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Obligors;

(m) Conduct all business activities in the ordinary course of business, consistent with past practice;

(n) Except to the extent otherwise agreed by the DIP Lender (acting reasonably), preserve the Collateral and avoid any Encumbrance thereon;

(o) Maintain in good standing and in full force and effect all material security deposits, ~~letters of credit,~~ permits and licenses necessary for the operation of the business of the Obligors, the Steensby expansion and pursuit of the SISP, and advise the DIP Lender promptly of any actual or pending changes in the status of such material security deposits, ~~letters of credit,~~ licenses or permits, and use commercially reasonable efforts to cause the issuers of letters of credit posted to secure the Borrowers' obligations to renew such letters of credit;

(p) At all times maintain adequate insurance coverage of such kind

and in such amounts and against such risks as is customary for the business of the Obligors with financially sound and reputable insurers in coverage and scope acceptable to the DIP Lender, acting reasonably, and, if requested by the DIP Lender, cause the DIP Lender to be listed as a loss payee or additional insured (as applicable) on such insurance policies;

(q) Comply with the terms of, and use commercially reasonable efforts to keep in full force and effect in accordance with their terms, all Material Contracts in all material respects, subject to any stay of proceedings in a Court order issued in the CCAA proceeding;

(r) Comply in all material respects with the terms of and keep in full force and effect in accordance with their terms, all supply arrangements material to the Borrowers' business including, without limitation, fuel supply and product shipping arrangements, subject to any Court order issued in the CCAA proceeding;

(s) Comply with the terms of and keep in full force and effect the Benefits Agreement;

(t) Maintain physical segregation of all Finished Product Funder's acquired product such that at all times any Finished Product Funder's acquired product is identifiable, separate and apart from any product not acquired by the Finished Product Funder;

(u) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;

(v) Comply in all material respects with all applicable Laws and the terms and conditions of all Authorizations; and

(w) Pay when due all principal, interest, fees and other amounts payable by the Obligor under this Agreement to the DIP Lender.

26. **Negative Covenants:** Each Obligor covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender from and after the date hereof:

(a) Make any payment of principal or interest in respect of Indebtedness, or complete deliveries or processing of material on account of prepay or similar arrangements (other than in accordance with finished product funding arrangements with a Finished Product Funder), in each case existing as of the date of the Initial Order or declare or pay any dividends, except as provided for in the Approved Cash Flows;

(b) Issue any debt or equity instruments or securities, or other rights or entitlements to the foregoing;

(c) Except for the DIP Obligations, any Indebtedness secured by the Priority Charges, any other Indebtedness incurred in the ordinary course of business or incurred prior to the date hereof and ranking subordinate to the DIP Obligations, or Indebtedness contemplated by the Approved Cash Flows, incur or permit to

exist any Indebtedness, or provide or seek or support a motion by another party to provide Indebtedness. This paragraph (c) shall not prohibit arrangements with a Finished Product Funder for the October 2026 through September 2027 period in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender;

(d) Enter into new agreements or commercial arrangements or amend any existing agreements or commercial arrangements of any kind with related parties or associates or Affiliates of related parties; for certainty, nothing herein shall restrict the Obligors' rights to disclaim any of the above contracts or arrangements with related parties or associates or Affiliates of related parties in accordance with the CCAA.

(e) Except for the Priority Charges, the DIP Charge, and any Encumbrance existing prior to the date hereof and ranking subordinate to the DIP Charge, create or permit to exist any Encumbrance, or provide or seek or support a motion by another party to provide an Encumbrance, upon any of the Collateral, other than such additional Encumbrances as are acceptable to the DIP Lender in its sole discretion. This paragraph (e) shall not prohibit arrangements with a Finished Product Funder for the October 2026 through September 2027 period in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender;

(f) Make any payments outside the ordinary course of the Business, unless provided for in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) or to ensure ongoing supply of goods or services essential for the Business;

(g) Make any investments, acquisitions, capital expenditures, or any loans to or guarantee the Indebtedness or obligations of any other Person or entity, other than in accordance with the Approved Cash Flow (but excluding any Excess Exploration and Expansion Expenses);

(h) Change its jurisdiction of incorporation or registered office;

(i) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other entity;

(j) Cease to carry on the Business as currently being conducted or materially change its operations or business practices, in each case without the consent of the DIP Lender;

(k) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking, other than (i) the sale or disposition of inventory in the ordinary course of business, or (ii)

the disposition of obsolete, redundant or ancillary assets in accordance with the Second Amended and Restated Initial Order or another Court order;

(l) Except as otherwise contemplated in any Court order, or in accordance with the Approved Cash Flow, (i) establish or make any retention or bonus payments to any person; (ii) increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management; or (iii) make any payments to related parties, other than royalty payments, subject to section 14(iii)~~.~~;

(m) Enter into any settlement agreement or agree to any settlement arrangements with any regulatory authority or in connection with any material litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against the Obligor;

(n) Enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any Obligor would become the property of any other Person or Persons that does not provide for the full repayment of the obligations under the DIP Facility upon closing;

(o) Amend or seek to amend the Second Amended and Restated Initial Order;

(p) Use the Advances for any purpose other than the purposes permitted hereunder, as set out in the applicable Advance Confirmation Certificate and the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses), or such other purposes as may be agreed to by the DIP Lender, in writing;

(q) Disclaim, cancel or terminate any Material Contract, without the prior written consent of the DIP Lender;

(r) Seek, or consent to the appointment over any of the Obligors of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;

(s) Seek or consent to the lifting of the stay of proceedings in the Amended and Restated Initial Order or Second Amended and Restated Initial Order, as applicable, in favour of the Obligors; and

(t) Enter into any currency, interest rate, commodity or forward, futures, swap, options or other hedging arrangements, other than for ordinary course risk management purposes, without the consent of the DIP Lender.

27. **Sales and Investment Solicitation**

The Borrowers, Guarantors and DIP Lender agree that the Borrowers (in consultation with the Monitor) shall pursue a sale and investment solicitation process (the "**SISP**") approved pursuant to court order in form and substance acceptable to the DIP Lender (the "**SISP Order**").

Process: The SISP Order shall be granted on or prior to the date that is 60 days following the issuance of the Second Amended and Restated Initial Order (the "**SISP Order Date**"), and for greater certainty the SISP Order shall establish various milestone dates for the SISP (together with the SISP Order Date, the "**Milestones**"). All terms of the SISP, including all Milestones, must be acceptable to the DIP Lender in its reasonable discretion. ~~A~~Forthwith after the date hereof, the Borrowers shall work with the Monitor to commence the process of identifying a financial advisor appropriately experienced and qualified to conduct the SISP ~~will be selected on or prior to June 30, 2026, and the~~. The financial advisor, its scope of services and compensation must be acceptable to the DIP Lender in its reasonable discretion.

28. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Any Court order to the extent relating to the DIP Facility or any other matter that affects the DIP Lender adversely in any material respect, is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacating, amendment or restatement is not in form and substance acceptable to the DIP Lender, including the issuance of a Court order:

(i) appointing a receiver and manager, receiver, interim receiver or similar official in respect of an Obligor;

(ii) terminating, lifting or amending the stay imposed within the CCAA Proceeding;

(iii) granting any other claim or Encumbrance of equal or priority status to that of the DIP Charge, other than the Priority Charges; or

(iv) staying, reversing, vacating or otherwise modifying this Agreement;

(b) The seeking or support by the Obligors of any Court order in the CCAA Proceedings that is not in form and substance acceptable to the DIP Lender, acting reasonably;

(c) Failure of an Obligor to diligently oppose any party that brings an application or motion for any of the relief set out in subsection 28(a) above;

(d) The failure of an Obligor to comply with, the Amended and Restated Initial Order, the Second Amended and Restated Initial Order, or any other Court order in the CCAA Proceedings;

(e) The lifting of the stay of proceedings granted in the Initial Order or the Second Amended and Restated Initial Order for any person to enforce upon their rights, or for the appointment of a receiver over any of the assets, property or undertaking of the Obligors;

(f) The CCAA Proceeding is terminated or converted to bankruptcy

proceedings;

(g) The expiry without further extension of the stay of proceedings provided for in the Amended and Restated Initial Order or the Second Amended and Restated Initial Order;

(h) Failure of an Obligor to pay any amounts arising hereunder when due and owing hereunder;

(i) The Obligor ceases to carry on or maintain the Business or its assets in the ordinary course of the Business in compliance with the covenants contained in this Agreement, except where such cessation is otherwise consented to in advance in writing by the DIP Lender;

(j) Any representation or warranty made or given hereunder by any Obligor shall be incorrect or misleading in any material respect when made;

(k) Failure of an Obligor to perform or comply with any term or covenant of this Agreement, including the failure to achieve any Milestone;

(l) If an Obligor makes any material payments of any kind not permitted by this Agreement, the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) or any order of the Court;

(m) If the period of an Approved Cash Flow expires and ~~at the time of~~, within the four-week period following such expiry (or such further extended period as may be applicable), no Updated Cash Flow has become an Approved Cash Flow;

(n) There shall exist a cumulative negative variance in excess of the Permitted Variance for the period from the date of the Second Amended and Restated Initial Order to the last day of such Testing Period, measured relative to the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses);

(o) Except as stayed by order of the Court or any other court with jurisdiction over the matter, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of CDN$500,000 in the aggregate, against any of the Obligors or the Collateral that is not released, discharged, vacated, or stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy; or

(p) Any plan is filed or sanctioned by the Court and such plan is in a form and in substance that is not acceptable to the DIP Lender and that does not provide for the repayment of the obligations under the DIP Facility in full upon implementation.

29. **Remedies:** Upon the occurrence and continuance of an Event of Default which is continuing on the date which is five (5) Business Days after the Borrowers have received written notice of such Event of Default from the DIP Lender, the DIP Lender may in its discretion, elect on prior written

notice to the Borrowers and the Monitor to:

(a) set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable;

(b) terminate the DIP Facility;

(c) apply for a Court order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;

(d) Apply to a court: (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, property and assets of any Obligor; (ii) for the appointment of a trustee in bankruptcy of any Obligor; or (iii) to seek other relief;

(e) exercise the powers and rights of a secured party; and

(f) exercise all such other rights and remedies available to the DIP Lender hereunder, or pursuant to the Second Amended and Restated Initial Order and applicable Law.

No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

30. **Taxes:** All payments by an Obligor under this Agreement, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon the occurrence and continuance of an Event of Default, shall be made free and clear of, without reduction for or on account of, any present or future Taxes; provided, however, that if any Taxes are required by applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to the DIP Lender under this Agreement, the amounts so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable hereunder at the rate or in the amount specified hereunder and the Obligors shall provide evidence satisfactory to the DIP Lender that the Taxes have been so withheld and remitted.

31. **Termination by Borrowers** The Borrowers shall be entitled to terminate this Agreement upon notice to the DIP Lender: (a) in the event that the DIP Lender has failed to fund any Advance when required to do so under this Term Sheet, or (b) at any time following the payment in full in immediately available funds of all of the outstanding DIP Obligations. Effective immediately upon such termination, all obligations of the Obligors and the DIP Lender under this Agreement shall cease, except for those obligations that explicitly survive termination. For greater certainty, all outstanding DIP Obligations in respect of all Advances funded prior to such termination shall become immediately due and payable concurrently with such termination and the DIP Lender shall not be required to make any further extensions of credit under this Agreement.

32.	**Further Assurances:**	The Obligors shall, at their own expense, from time to time do, execute and deliver or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.
33.	**Entire Agreement:**	This Agreement constitutes the entire agreement between the parties related to the subject matter hereof. To the extent there is any inconsistency between this Agreement and any other documents entered into in connection herewith, this Agreement shall prevail.
34.	**Amendments and Waivers:**	No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. Any such consent, approval, waiver, instruction, or other expression of the DIP Lender made hereunder may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the DIP Lender. This Agreement may not be amended except by an instrument in writing signed by each of the Obligors and the DIP Lender.
35.	**Severability:**	Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity of enforceability of such provision in any other jurisdiction.
36.	**No Third Party Beneficiary:**	No Person, other than the Obligors and the DIP Lender are entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.
37.	**Counterparts and Facsimile Signatures:**	This Agreement may be executed in any number of counterparts delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.
38.	**Assignment:**	This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
39.	**Notices:**	Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person as set forth below: in the case of a notice to the Obligors at: c/o Baffinland Iron Mines Corporation

360 Oakville Place Dr., Suite 300
Oakville, Ontario L6H 6K8

Attention: Mark O'Brien
Email: mark.obrien@baffinland.com

with a copy (which shall not constitute notice) to:

Davies Ward Phillips & Vineberg LLP
155 Wellington St. W.
Toronto, ON M5V 3J7
Attention: Natalie Renner and Rob Nicholls
Email: nrenner@dwpv.com and rnicholls@dwpv.com

in the case of a notice to the DIP Lender at:

c/o Export Development Canada
150 Slater Street
Ottawa, ON, K1A 1K3

Attention: Mark Doyle and Ashley Glen
Email: mdoyle@edc.ca; aglen@edc.ca

Attention: Loans Services
Email: LS-directlending@edc.ca

Attention: Covenants Officer
Email: covenantsofficer@edc.ca

With a copy to the DIP Lender's legal counsel:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, Ontario M5K 1E7

Attention: Evan Cobb
Email: evan.cobb@nortonrosefulbright.com

In either case, with a copy to the Monitor:

FTI Consulting Canada Inc.

Attention: Jeffrey Rosenberg
Email: Jeffrey.rosenberg@fticonsulting.com

With a copy to, which shall not constitute notice:

Osler, Hoskin & Harcourt LLP
First Canadian Place, 100 King St. W. #6200
Toronto, ON M5H 1H1

Attention: Marc Wasserman and Michael De Lellis

Email: mwasserman@osler.com and mdelellis@osler.com

Any notice delivered or transmitted to a Person as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

40. **Business Days:** If any event shall occur hereunder or any action shall be required hereunder on a day that is not a Business Day, then such event shall be deemed to occur and such action shall be deemed required on the next following Business Day.

41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

42. **Definitions:** For the purposes of this Agreement, unless context otherwise requires, the following terms have the respective meanings set out below, and grammatical variations of such terms have corresponding meanings:

"**Advance**" has the meaning given to that term in Section 8;

"**Advance Confirmation Certificate**" has the meaning given to that term in Section 8;

"**Affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

"**Agreement**" means this Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

"**Approved Cash Flow**" has the meaning given to that term in Section 14. The inclusion of a particular category of expenditure in the initial Approved Cash Flow shall not be an approval by the DIP Lender of any expenditures in any future period, not intended to be covered by the Approved Cash Flow.

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority related to the Collateral or the Business;

"**Amended and Restated Initial Order**" means the Order granted in the CCAA Proceedings on May 25, 2026 amending and restating the Initial Order;

"**Benefits Agreement**" means the impact benefits agreement between BIM Corp. and the Qikiqtani Inuit Association dated September 6, 2013,

as amended on October 22, 2018, and as may be further amended, supplemented or amended and restated from time to time;

"**Borrowers**" has the meaning given to that term in the recitals;

"**Borrowers' Account**" has the meaning given to that term in Section 19;

"**Business**" means the business of iron ore mining at the Mary River Mine on Baffin Island in Nunavut, Canada.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or Ottawa, Ontario or in New York, New York;

"**CCAA**" has the meaning given to that term in the recitals;

"**CCAA Proceeding**" has the meaning given to that term in the recitals;

"**Collateral**" means all now-owned and hereafter-acquired assets and property of the Obligors, real and personal, tangible or intangible and all proceeds therefrom, including the Borrowers' Account and all assets used in the Business;

"**Court**" has the meaning given to that term in the recitals;

"**Default**" means the occurrence or existence of any event, fact or circumstances, that with the giving of notice, passage of time, or both, would constitute an Event of Default;

"**Default Rate**" has the meaning given to that term in Section 12;

"**DIP Charge**" has the meaning given to that term in Section 17;

"**DIP Facility**" has the meaning given to that term in Section 7;

"**DIP Obligations**" has the meaning given to that term in Section 17;

"**DIP Security**" means security documents granted by the Obligors providing for a security interest in the Collateral and related personal property security registrations made in favour of the DIP Lender in connection with such security interest together with such confirmations, financing statements, renewals, amendments, discharges, insurance endorsements, ~~opinions~~ or other documents as may be reasonably requested by the DIP Lender as security for the DIP Obligations;

"**Encumbrances**" means any hypothec, encumbrance, lien, charge, pledge, deposit arrangement, mortgage, title retention agreement, trust, deemed trust, security interest of any nature, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, royalty, stream, offtake, prepayment or any other arrangement or condition that in substance or effect secures payment or performance of an obligation, or any contract to create any of the foregoing;

"**Event of Default**" has the meaning given to that term in Section 28;

"**Excess Exploration and Expansion Expenses**" means, unless otherwise consented to by the DIP Lender in writing in its sole discretion, ~~expenditures by the Obligors on exploration activities or expansion of operations, including the Steensby Expansion that are in excess of~~

(i) expenditures by the Obligors on exploration activities that either: (a) exceed amounts necessary to preserve the assets or Authorizations of the Obligors, including preserving existing assets and Authorizations that are strictly necessary for Steensby expansion, or (b) exceed US$10,000,000 in aggregate from the date of this Agreement; and

(ii) expenditures of the Obligors on expansion of operations in amounts that either: (a) exceed the amounts necessary to preserve the assets ~~and~~or Authorizations of the Obligors, including preserving existing assets and Authorizations that are strictly necessary for Steensby expansion, or (b) exceed US$20,000,000 in aggregate from the date of this Agreement.

"**Extension Fee**" means a fee payable to the DIP Lender in the amount of 1% of the Facility Amount ~~(as reduced, if applicable, in accordance with the Finished Product Funding Election (as defined below))~~, which shall accrue and be payable in cash at the Maturity Date (if payable).

"**Facility Amount**" has the meaning given to that term in Section 7;

"**Finished Product Funder**" means IRH or any party who enters into a finished product funding arrangement with the Borrowers similar to the current arrangements with IRH, for the October 2026 through September 2027 period.

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hedging Obligations**" means, with respect to any Person, the net payment obligations of such Person outstanding under (a) interest rate or currency swap agreements, interest rate or currency cap, collar or floor agreements and (b) any other agreements or arrangements entered into in order to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates;

"**Indebtedness**" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all letters of credit, letters of guarantee

and similar instruments, notes or other similar instruments, (c) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, (d) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, ~~(e)~~I all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, and (f) all obligations of such Person to otherwise assure a creditor against loss (for certainty, Hedging Obligations incurred by an Obligor in the ordinary course shall not be considered Indebtedness for purposes of this Agreement);

"**Indemnified Persons**" has the meaning given to that term in Section ~~23~~23;

"**Initial Order**" means the Initial Order granted in the CCAA Proceedings on May 15, 2026;

"**Interest Payment Date**" has the meaning given to that term in Section ~~12~~12;

"**Interest Rate**" has the meaning given to that term in Section 12;

"**Law**" means any federal, provincial, county, territorial, district, municipal, local or foreign, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

"**Material Contract**" means any contract, license or agreement: (i) to which a Borrower or Guarantor is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of a Borrower or Guarantor; and (iii) which such Borrower or Guarantor cannot promptly replace by an alternative and comparable contract with comparable commercial terms~~ and, for certainty, includes all agreements identified as Material Contracts pursuant to the Pre-Filing Facility~~.

"**Maturity Date**" has the meaning given to that term in Section ~~21~~21;

"**Monitor**" means FTI Consulting Canada Inc., as the court-appointed monitor of the Borrowers and Nunavut Iron Ore Mines, Inc.;

"**Obligors**" has the meaning given to that term in Section 5;

"**Permitted Variance**" means a variance of not more than 10% relative to the aggregate net cash flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) on a cumulative basis since the beginning of the period covered by the applicable Approved Cash Flow; provided that for the purposes of determining any net cash flow, the fees, costs and expenses payable to the Monitor, the DIP Lender or their respective advisors shall be excluded from such net cash flow.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee;

"**Priority Charges**" has the meaning given to that term in Section 17;

"**Restructuring Transaction**" means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, plan or other material transaction of, or in respect of, the Obligors, or any of them, or all or a material portion of their Business, assets or obligations;

"**Royalty Agreements**" means, collectively, (i) the royalty agreement entered into among the Borrowers, 15877580 Canada Inc., ArcelorMittal Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc. dated March 25, 2024 and (ii) the royalty agreement entered into among the Borrowers, 16572367 Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc.;

"**Second Amended and Restated Initial Order**" means an order, or orders, of the Court, in form and substance satisfactory to the DIP Lender (acting reasonably) and obtained on application made on notice to, such Persons as the DIP Lender and Obligors determine, acting reasonably, among other things, amending and restating the Amended and Restated Initial Order, approving the DIP Facility, granting the DIP Charge and granting the Obligors an extension of the stay of proceedings;

"**Tax**" and "**Taxes**" means any taxes, duties, fees, premiums and assessments imposed by any Governmental Authority, including all interest, penalties, fines or additions to tax imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, excise, withholding, business, franchising, property, development, occupancy, payroll, health, social services, education, employment and all social security taxes, all surtaxes, all customs, duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, and other government pension plan premiums or contributions;

"**Updated Cash Flow**" has the meaning given to that term in Section 14; and

"**Withholding Taxes**" has the meaning given to that term in Section ~~30~~30.

IN WITNESS WHEREOF, the parties hereto have causes this Agreement to be executed by their duly authorized representatives as of the date first written above.

DIP LENDER:

HIS MAJESTY IN RIGHT OF CANADA

Per: _____
Name: Mark Doyle
Title: Senior Special Risks Manager, Export Development Canada

Per: _____
Name: Alexandre Richard
Title: Special Risks Manager, Export Development Canada

BORROWERS:

BAFFINLAND IRON MINES CORPORATION

by _____
Name:
Title:

by _____
Name:
Title:

BAFFINLAND IRON MINES LP, **by its**

general partner, BAFFINLAND IRON MINES CORPORATION

by _____

Name:
Title:

by _____

Name:
Title:

GUARANTORS:

NUNAVUT IRON ORE, INC.

by _____

Name:
Title:

by _____

Name:
Title:

12334992 CANADA INC.

by _____

Name:
Title:

by _____

Name:
Title:

~~**Schedule "A"**~~

~~**Disclosures**~~

Summary report: Litera Compare for Word 11.14.1.3 Document comparison done on 2026-06-03 2:57:04 PM	
Style name: Davies (with strikethrough for delete)	
Intelligent Table Comparison: Active	
Original DMS: nd://4152-9796-7209/8/EDC - DIP Term Sheet.docx	
Modified DMS: nd://4152-9796-7209/15/EDC - DIP Term Sheet.docx	
Changes:	
Add	91
~~Delete~~	74
~~Move From~~	15
Move To	15
Table Insert	15
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	210

This is Confidential Exhibit “G” 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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

Confidential Exhibit "G"

Submitted DIP Term Sheets

This is Exhibit “H” 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 June 3, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Sean Monahan

Commissioner for Taking Affidavits (or as may be)

SEAN MONAHAN

LSO# 87650U

DIP FACILITY LOAN AGREEMENT

DATED AS OF JUNE 3, 2026

WHEREAS Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, the "**Borrowers**") have requested the DIP Lender (defined below) to provide funding, in connection with the Borrowers' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice – Commercial List (the "**Court**"), in accordance with the terms and conditions set out herein (the "**CCAA Proceeding**");

AND WHEREAS FTI Consulting Canada Inc. has been appointed as monitor of the Borrowers and the Guarantors (in such capacity, the "**Monitor**") pursuant to the Initial Order.

AND WHEREAS Export Development Canada ("**EDC**") is party to a Credit Agreement with the Borrowers dated as of October 7, 2022, as amended from time to time, pursuant to which EDC provided a secured credit facility to the Borrowers on the terms set out therein (the "**Pre-Filing Facility**").

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (defined below) in accordance with the terms and conditions set out below.

NOW THEREFORE, in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms:** A capitalized term not defined in the body of this Agreement has the meaning ascribed to it in the Definitions section below.

2. **Interpretation:** In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".

   The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

   References in this Agreement to Sections or Schedules are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise.

3. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of the United States of America.

4. **Borrowers:** Baffinland Iron Mines Corporation ("**BIM Corp**") and Baffinland Iron Mines LP ("**Baffin LP**").

5. **Guarantors:** Nunavut Iron Ore, Inc. and 12334992 Canada Inc. (collectively, the "**Guarantors**" and collectively with the Borrowers, the "**Obligors**").

6.	**DIP Lender:**	His Majesty in Right of Canada, as represented by EDC (the "**DIP Lender**").
7.	**DIP Facility:**	A senior secured, super-priority, debtor-in-possession, interim, revolving credit facility (the "**DIP Facility**") up to a maximum principal amount of US$400,000,000 in a Finished Product Funding Scenario (as defined below), increased to a maximum of US$475,000,000 in the event of a Finished Product Non-Funding Scenario (as defined below) ("**Facility Amount**"), subject to the terms and conditions contained herein. The Borrowers shall be entitled to prepay amounts under the DIP Facility, without premium or penalty, and re-borrow amounts hereunder, subject to the terms and conditions herein and in all cases in an aggregate principal amount up to the Facility Amount.
8.	**DIP Advances:**	Advances (each, an "**Advance**") shall be made in two-week intervals (or as otherwise agreed by the Borrowers and DIP Lender) with the principal amount of the aggregate Advances outstanding being no more than the Facility Amount. The DIP Lender shall deposit, into the Borrowers' Account, each Advance, other than the Initial Advance (defined below) within one (1) Business Day following the date on which the Advance Conditions are satisfied and the Borrowers deliver to the DIP Lender an Advance confirmation certificate in form reasonably satisfactory to the DIP Lender, which shall include a reconciliation to the Approved Cash Flow (an "**Advance Confirmation Certificate**"). The Advance Confirmation Certificate shall certify that (i) all representations and warranties of the Obligors contained in this Agreement remain true and correct as of such date in all material respects both before and after giving effect to the use of such proceeds, (ii) no Default or Event of Default then exists and is continuing or would result therefrom; and (iii) the Advance is required for expenditures identified in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and shall be used solely in accordance with this Agreement. Advances under the DIP Facility in the aggregate principal amount of up to US$110,000,000 (the "**Bridge Advances**") shall be made available to the Borrowers during the four week period beginning on the date of the Second Amended and Restated Initial Order (the "**Bridge Period**"), subject to satisfaction of the Advance Conditions and delivery of an Advance Confirmation Certificate one (1) Business Day prior to each Advance during such period (other than the first advance under the DIP Facility (the "**Initial Advance**") which shall be advanced to the Borrower on the date of the Second Amended and Restated Initial Order in accordance with an Advance Confirmation Certificate delivered by the Borrower to the DIP Lender no later than the granting of the Second Amended and Restated Initial Order). Notwithstanding anything else to the contrary herein, fees accruing on or levied in relation to or in respect

of the Bridge Advances shall not be payable by the Obligors, and no Obligors shall be liable for the payment of such amounts, whether as Indebtedness or as an obligation or liability of any kind, nor shall such amounts form a part of the DIP Obligations during the Bridge Period. For greater certainty, interest shall accrue and be payable on the Bridge Advances pursuant to the terms hereof and reasonable, documented, out of pocket legal expenses of the DIP Lender will be payable in connection with the Bridge Advances pursuant to the terms hereof. In the event the DIP Facility is not refinanced during the Bridge Period (which refinancing is only permitted in full), the fees that have accrued or would have otherwise been payable to the DIP Lender pursuant to the terms hereof and any professional fees or expenses that would have otherwise been payable hereunder by the Borrowers, in each case but for the limitations provided herein, shall be deemed to have accrued and shall be payable from the date of the Initial Advance to but excluding the last day of the Bridge Period and shall form a part of the DIP Obligations. If the Bridge Facility is so refinanced, no such fees or professional fees and expenses (other than reasonable, documented, out of pocket legal fees and expenses of the DIP Lender) shall be owing or payable by the Obligors.

The Borrowers hereby confirm that during the Bridge Period no alternative proposals for interim financing will be solicited or accepted by the Borrowers.

9. **Use of Proceeds:** The proceeds of the DIP Facility shall be used solely by the Borrowers for items provided in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and in amounts in accordance with the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and in accordance with the orders of the Court in the CCAA Proceedings. No proceeds may be used for any other purpose except with the prior written approval of the DIP Lender, acting reasonably.

10. **Assignment by the Borrowers:** The Borrowers shall not be permitted to assign this Agreement without the prior written consent of the DIP Lender.

11. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender's register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

12. **Interest and Fees:** All amounts owing by the Borrowers hereunder to the DIP Lender on account of principal, overdue interest and expenses shall bear interest at a rate equal to the Citibank prime rate from time to time plus 4.75% per annum (the "**Interest Rate**"). To the extent permitted by Law, effective upon the occurrence of and during the continuance of an Event of Default, all amounts owing to the DIP Lender hereunder by the Borrowers on account of principal, overdue interest, and fees and expenses for which

payment is overdue shall bear interest at the Interest Rate plus an additional 2% per annum (the Interest Rate, as increased, the "**Default Rate**").

All interest and, where applicable, fees hereunder shall be computed on the basis of a year of 365 or 366 days (as applicable) and shall accrue and be calculated daily and, in the case of interest, payable in cash, monthly in arrears on the last Business Day of each month (each, an "**Interest Payment Date**"); provided that unless otherwise agreed by the DIP Lender, interest accruing at the Default Rate shall be payable in cash on demand, both before and after demand and judgment.

In the case of an Advance, the first interest period shall commence on and include the date of such Advance and shall end on and exclude the next following Interest Payment Date. Thereafter, in the case of such Advance, the interest period shall commence on and include the Interest Payment Date and end on and exclude the next Interest Payment Date or the Maturity Date, whichever is earlier.

In consideration of the DIP Lender's provision of the DIP Facility, the Borrowers shall pay to the DIP Lender a fee in the amount of 2% of the Facility Amount, which shall be payable upon the first Advance under the DIP Facility after the Bridge Period.

In further consideration of the DIP Lender's entry into the DIP Facility, the Borrowers shall pay to the DIP Lender a commitment fee for each day from the date of the Second Amended and Restated Initial Order to and including the Maturity Date equal to (A) 1.5% multiplied by (B) the average daily amount of the Unused Commitment (the "**Commitment Fee**").

The Commitment Fee shall be computed on the basis of a year of 365 or 366 days (as applicable) and shall accrue and be calculated daily and be payable in cash at the Maturity Date.

"**Unused Commitment**" means that portion of the Facility Amount, in US dollars, that is not advanced or otherwise utilized as Finished Product Credit Support on the applicable day. For greater certainty, if the Finished Product Non-Funding Election (as defined below) is delivered by the Borrowers in accordance with the terms hereof, then the Facility Amount for each day following the Finished Product Non-Funding Election shall be deemed to be US$475,000,000 (less any reductions pursuant to Section 14 below) when determining the daily Unused Commitment.

The DIP Lender hereby confirms that no additional fees will be accrued in the event of any amendment, consent, waiver or accommodations that the DIP Lender may agree to provide, in their sole discretion, pursuant the terms hereof, other than reasonable, documented, out-of-pocket expenses in connection with implementation of such amendment, consent, waiver or accommodation or additional interest and fees that accrue solely from any increase in the Facility Amount.

13. **Other Costs and Expenses:** Subject to the limitations in Section 8, the Borrowers shall pay all reasonable and documented third-party out-of-pocket costs and expenses of the DIP Lender, including outside counsel and financial advisory fees payable to BMO Capital Markets, for all reasonable due diligence and transaction advice, and all reasonable and documented out-of-pocket fees, expenses and disbursements of outside counsel in connection with the preparation, negotiation and consummation of this Agreement and the administration of the DIP Facility, including any reasonable and documented third-party out-of-pocket costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder or under the DIP Security.

14. **Approved Cash Flow:** The cash flow projection submitted to the Court on the motion for the Second Amended and Restated Initial Order and accepted by the Monitor for the 13-week period following the Second Amended and Restated Initial Order, but excluding any Excess Expansion and Exploration Expenses shall be the initial "**Approved Cash Flow**". The Approved Cash Flow shall include provision for: (i) the reasonable and documented professional fees and expenses of the Monitor and its counsel and counsel for the Obligors, (ii) interest, fees and other amounts owing to the DIP Lender under this Agreement, (iii) royalty payments under each of the Royalty Agreements when due and payable; provided such Royalty Agreement is properly registered on title, and the Monitor's counsel is of the view that the royalty granted under such Royalty Agreement is a valid royalty at law and runs with the land, (iii) cash collateral required to support letters of credit issued by financial institutions; (iv) the reasonable and documented out-of-pocket expenses of the DIP Lender under this Agreement; and (v) the Borrowers' funding requirements during the period of the Approved Cash Flow, including, without limitation, in respect of the pursuit of the SISP and the working capital and other general corporate funding requirements of the Borrowers during such period, including amounts payable under the Benefits Agreement, and the costs and expenses associated with the CCAA Proceeding.

The Borrowers, with the assistance of the Monitor, may from time to time, but no more frequently than once per calendar month (unless otherwise consented to by the DIP Lender), present the DIP Lender with a revised budget substantially in the form of the then current Approved Cash Flow (the "**Updated Cash Flow**"). Subject to the written approval of the DIP Lender, in its reasonable discretion, the Updated Cash Flow shall thereafter be deemed to be the effective Approved Cash Flow for the purposes hereof.

If the DIP Lender has not approved an Updated Cash Flow at the time the then current Approved Cash Flow expires, the prior Approved Cash Flow shall remain in effect and each line item therein shall roll forward for a four-week period with disbursement lines for operating costs set forth in the then applicable Approved Cash Flow being rolled forward, and all other line items being limited to any unused portion of the amount set forth

for such line item in the prior Approved Cash Flow. The above four-week roll forward period shall be extended for subsequent consecutive four-week periods for as long as good faith discussions are continuing between the Borrowers and the DIP Lender to arrive at an approved Updated Cash Flow.

On the second to last Business Day of every fourth week, the Borrowers shall deliver to the Monitor and the DIP Lender and its legal counsel a variance calculation (the "**Variance Report**") setting forth actual receipts and disbursements for the preceding four weeks ending on the preceding Friday (each a "**Testing Period**") and on a cumulative basis as against the then-current Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses), and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof for such Testing Period in the Approved Cash Flow; each such Variance Report is to be promptly discussed with the DIP Lender and its legal and financial advisors. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant Testing Period.

The Approved Cash Flow will contemplate that a Finished Product Funder (a) continues to provide payments in the ordinary course (the "**Finished Product Funding Scenario**") pursuant to its pre-filing contractual purchase arrangements; and (b) provides similar finished product funding from October 2026 until October 2027. In the event a Finished Product Funder does not make payments in accordance with its contractual obligations and/or a new finished product funding arrangement is not entered into by September 30, 2026 for the October 2026 through September 2027 period (the "**Finished Product Non-Funding Scenario**"), the Approved Cash Flow shall expire on September 30, 2026 and be replaced in form and substance satisfactory to the DIP Lender, acting reasonably, on or prior to September 30, 2026 for all periods following October 1, 2026.

In a Finished Product Non-Funding Scenario, the Borrowers may elect, no later than October 1, 2026 (the "**Finished Product Non-Funding Election**") to:

(i) increase the Facility Amount by an amount up to US$75,000,000; or

(ii) on terms acceptable to the DIP Lender, obtain credit support from the DIP Lender for Finished Product Funders to maintain or obtain finished product funding arrangements for the duration of the term hereof (the "**Finished Product Credit Support**") in an amount up to US$75,000,000 less any increase to the Facility Amount in (i) above.

If the Borrowers determine on or prior to September 30, 2026 that the Finished Product Funder will continue to provide payments in the ordinary course, the Finished Product Non-Funding Scenario will not arise and

Finished Product Credit Support is no longer necessary, then the Facility Amount will remain a maximum principal amount of US$400,000,000.

For the purposes of this Agreement, the Approved Cash Flow shall include all supporting documentation provided in respect thereof to the DIP Lender.

For greater certainty, any finished product arrangements with a Finished Product Funder entered into after the date hereof must be in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender.

14A **Permitted Variances**

The obligations herein requiring the Obligors to comply with or act in accordance with the Approved Cash Flow are subject to any Permitted Variances that arise from either (i) non-forecasted reductions in cash inflows; (ii) disbursements for non-forecasted and non-discretionary expenditures; or (iii) non-forecasted disbursements required to obtain continued supply for essential suppliers.

15. **Conditions Precedent to the Initial Advance**

The DIP Lender's obligation to make the Initial Advance hereunder from the Loan Amount is subject to and conditional upon, the satisfaction of all of the following conditions precedent (the "**Initial Advance Conditions**"):

(a) The Obligors shall have executed and delivered this Agreement;

(b) the Court shall have issued the Second Amended and Restated Initial Order in form and substance satisfactory to the DIP Lender, acting reasonably, among other things:

(i) authorizing and approving this Agreement;

(ii) granting the DIP Charge and the priority of the DIP Charge contemplated in this Agreement;

(iii) granting a stay of proceedings until a date that is at least nine (9) weeks after the date of the Second Amended and Restated Initial Order; and

(iv) providing for provisional execution, or other satisfactory protection, in respect of any and all Advances made and/or Liens and/or charges granted for the DIP Loans, including the DIP Charge;

and the operation and effect of such order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired), unless otherwise agreed by the DIP Lender, in its reasonable discretion;

(c) no Default or Event of Default shall have occurred and be continuing or will occur as a result of the Initial Advance;

(d) The DIP Lender shall have received an Advance Confirmation Certificate in accordance with the terms hereof; and

(e) there shall be no Encumbrances on the Collateral ranking in priority to or *pari passu* with the DIP Charge other than as expressly permitted by the terms hereof.

16. **Conditions Precedent to Advances of the Facility Amount:** The DIP Lender's agreement to make any Advances available from the Facility Amount (other than the Initial Advance) is subject to, and conditional upon, the satisfaction of all of the following conditions precedent (the "**Advance Conditions**"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:

(a) the Second Amended and Restated Initial Order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired), unless otherwise agreed by the DIP Lender, in its reasonable discretion;

(b) The DIP Lender shall have received an Advance Confirmation Certificate in accordance with the terms hereof;

(c) Subject to Section 8, all reasonable and documented third-party out-of-pocket expenses payable to the DIP Lender hereunder have been paid or will be paid from the proceeds of the requested Advance on the date of the applicable Advance;

(d) There shall be no Encumbrances on the Collateral ranking in priority to or *pari passu* with the DIP Charge other than as expressly permitted by the terms hereof;

(e) No Default or Event of Default shall have occurred and be continuing or will occur as a result of the requested Advance; and

(f) The requested Advance shall be in accordance with an Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) that is effective at the time of such Advance.

17. **DIP Charge:** All of the obligations of the Obligors under or in connection with the DIP Facility, including without limitation, all principal, interest, fees, Finished Product Credit Support, and amounts owing in respect of reasonable and documented third-party out-of-pocket expenses of the DIP Lender and the indemnification obligations owed to the DIP Lender hereunder (collectively, the "**DIP Obligations**"), shall be secured by a Court-ordered charge on the Collateral in favour of the DIP Lender (the "**DIP Charge**").

The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral other than (i) the administration charge not exceeding US$5,000,000, (ii) the directors and officers charge not exceeding US$20,400,000, and (iii) in respect of the Cash Collateral (as defined in

the Amended and Restated Initial Order) (collectively, the "**Priority Charges**"), unless otherwise consented to by the DIP Lender in writing.

18. **DIP Security:** The Guarantors hereby jointly and severally guarantee in favour of the DIP Lender the payment and performance of the DIP Obligations of the Borrowers.

The DIP Lender shall be permitted to request DIP Security (in form and substance reasonably satisfactory to the DIP Lender) from the Obligors at any time. The DIP Security shall continue as a first priority Encumbrance on the Collateral in favour of the DIP Lender subject to subordination only in respect of the Priority Charges. For greater certainty, the delivery of DIP Security shall not be a condition precedent to Advances as set out in Section 15 or 16.

19. **Borrowers' Account:** Advances shall be deposited into a bank account to be designated by the Borrowers at a financial institution in Canada, reasonably acceptable to the DIP Lender (the "**Borrowers' Account**") and utilized by the Borrowers in accordance with the terms of this Agreement.

20. **Prepayments:** The Borrowers may, in their discretion, prepay any amounts outstanding under the DIP Facility, without fee or penalty, at any time prior to the Maturity Date (as defined below).

In the event the Borrowers hold Excess Cash, the amounts outstanding under the DIP Facility shall be prepaid in an amount equal to such Excess Cash on the date that such Excess Cash is reported to the DIP Lender.

"**Excess Cash**" means any aggregate Unrestricted Cash balance in excess of US$20,000,000 determined as at the date of delivery of any Variance Report required hereunder.

"**Unrestricted Cash**" means any cash that (i) is not required (as determined by the Borrowers, acting reasonably) for expenditures to be paid by the Borrowers before the date of the next Advance, and (ii) is not posted as Cash Collateral.

21. **Repayment and Maturity Date:** All DIP Obligations shall be due and payable on the earliest of the occurrence of any of the following:

(a) The date which is five (5) Business Days after which demand is made following the occurrence of any Event of Default which is continuing as of such date;

(b) The date that is the 12-month anniversary of the granting of the Second Amended and Restated Initial Order, which may be extended at the election of the Borrowers for up to six months, in exchange for the Extension Fee, in the event that a Restructuring Transaction in form and substance acceptable to the DIP Lender and that would repay the DIP Obligations owing to the DIP Lender in full, has been approved by the Court and remains conditional

only upon any approvals required from any Governmental Authority;

(c) The closing of a Restructuring Transaction; or

(d) The date on which the CCAA Proceedings are terminated.

(such earliest date, the "**Maturity Date**").

The DIP Lender's commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be fully repaid no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or Guarantors or to give notice that the DIP Facility has expired and that the obligations thereunder are due and payable.

The DIP Obligations shall be unaffected in any plan of compromise or arrangement and in any other Restructuring Transaction involving any of the Borrowers or the Guarantors (a "**Plan**"), other than after the payment in full in cash to the DIP Lender of all DIP Obligations on or before the date such Plan is implemented.

Unless otherwise consented to in writing by the DIP Lender, the net cash proceeds of any sale, realization or disposition of, or with respect to, any of the Collateral (including obsolete, excess or worn-out Collateral) out of the ordinary course of business (for greater certainty, net of transaction fees and applicable taxes in respect thereof), or any insurance proceeds (net of expenses incurred by the applicable Obligor in connection therewith, including transaction fees and applicable taxes in respect thereof) (each "**Net Proceeds**") paid to the Borrowers or Guarantors in respect of Collateral, shall be paid to the DIP Lender and applied to reduce the DIP Obligations and permanently reduce and cancel an equivalent portion of the Facility Amount in an amount equal to the Net Proceeds of such sale, realization, disposition or insurance; provided that, if the applicable Obligor requests an amount equal to or less than such Net Proceeds to repair or replace the affected Collateral, subject to such Obligor's written notice thereof to the DIP Lender promptly following the sale, realization, disposition or casualty event in respect of insurance proceeds then the Facility Amount shall not be reduced by such amount and such amount shall remain available under the DIP Facility solely for the repair or replacement of the affected Collateral.

22. **Payments:** All payments of principal, interest, fees and expenses hereunder, if applicable, shall be made for value in the full amount due at or before 12:00 noon (Eastern time) on the day such amount is due by deposit or transfer thereof to the DIP Lender or as the DIP Lender may direct. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment. Each payment to be made by the Borrowers under this Agreement shall be made in full without deduction, set-off or counterclaim

of any kind or for any reason. If any expenses incurred by the Borrowers after the date of this Agreement are not paid by the Borrowers, the DIP Lender may, but shall have no duty to do so, pay all such expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

23. **Indemnity:** Subject to section 8, the Obligors agree to indemnify and hold harmless the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, and its Affiliates, partners and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or reasonable and documented third-party out-of-pocket expenses of any kind or nature whatsoever which may be incurred by any of the Indemnified Persons (collectively, the "**Claims**") as a result of, in connection with or in any way related to the DIP Facility, the CCAA Proceedings, any bankruptcy and insolvency proceedings in respect of the Obligors, the priority of the DIP Charge, the proposed or actual use of the proceeds of the DIP Facility or this Agreement; provided, however, that the Obligors shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any Claim (a) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, (b) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Obligors, or (c) to the extent arising from a breach by an Indemnified Person of an agreement between such Indemnified Person and a third party. The Obligors shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

The indemnities granted under this Agreement shall survive any termination of the DIP Facility.

24. **Representations and Warranties:** Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender has relied in entering into this Agreement that:

(a) The transactions contemplated by this Agreement and upon the granting of the Second Amended and Restated Initial Order:

(i) are within the powers of the Obligor and constitute legal, valid and binding obligations of the Obligor;

(ii) have been duly authorized, executed and delivered by or on behalf of the Obligor; and

(iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any Material Contracts to which it is

a party or pursuant to which any of its assets or property may be affected;

(b) Each Obligor has been duly incorporated or formed and is validly existing under the law of its jurisdiction of its formation;

(c) Each Obligor owns its assets with good and marketable title thereto;

(d) The Business has been and will continue to be conducted in material compliance with all applicable Laws and Authorizations of each jurisdiction in which the Business has been or is being carried on subject to the provisions of the CCAA and any Court order made after the date of the Initial Order;

(e) Each Obligor has obtained any material Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect. No proceedings have been commenced to revoke or amend any such Authorizations;

(f) The Obligors maintain adequate insurance coverage, as is customary with companies in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(g) Each Obligor does not have any defined benefit pension plans or similar plans and is in material compliance with all applicable Laws respecting its employees' employment and all collective bargaining agreements to which it is a party or otherwise bound;

(h) Each Obligor is current on its post-CCAA filing payment obligations for rent and other occupancy costs and expenses in respect of any premises that it leases;

(i) The Obligors have maintained and paid current their obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and are not in arrears of their statutory obligations to pay or remit any amount in respect of these obligations;

(j) All obligations of each Obligor (including fiduciary, funding, investment and administrative obligations, if any) required to be performed in connection with employee benefit plans of such Obligor have been performed on a timely basis;

(k) Except as otherwise disclosed to the DIP Lender in writing in connection with entry into this Agreement, each Obligor has filed all Tax returns which were required to be filed and paid all Taxes (including interest and penalties) which are due and payable, except for charges, fees or dues which are not material in amount or which are not delinquent or if delinquent are being contested in good faith by appropriate proceedings;

(l) Other than potential proceedings in connection with the Second Amended and Restated Initial Order to be sought by the Borrower, or this DIP Facility, or as stayed pursuant to the Amended and Restated Initial Order or the Second Amended and Restated Initial

Order (once granted), there is not now pending or, to the knowledge of any of the senior officers of any of the Borrowers, threatened against any of the Borrowers, nor has any Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body in each case that would reasonably be expected to be material and adverse to the Obligors, taken as a whole;

(m) As of the date hereof, all Material Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms, subject to the stay of proceedings granted by the Court in the CCAA Proceedings, and no Borrower has any knowledge of any default by any party (including counterparties) that has occurred and is continuing thereunder (other than, in each case, those defaults arising as a result of or relating to the insolvency of the Borrowers or any of their affiliates or the commencement of the CCAA Proceedings);

(n) Except as otherwise disclosed to the DIP Lender in writing in connection with the entry into this Agreement, there are no agreements of any kind between any of the Obligors and any other third party or any holder of debt or any equity securities of an Obligor with respect to any Restructuring Transaction;

(o) No Default or Event of Default has occurred and is continuing;

(p) All of the Obligors' agreements in respect of Indebtedness and security therefor, Encumbrances affecting the Collateral, or other commercial arrangements, in each case with related parties or associates or Affiliates of related parties, or agreements or commercial arrangements entered into as a condition of the foregoing, in effect currently (other than agreements solely between Obligors) have been disclosed to the DIP Lender in writing in connection with entry into this Agreement;

(q) All financial statements of the Obligors for the 2025 financial year have been provided to the DIP Lender and have been prepared in compliance with IFRS as applicable in Canada and do not contain any material misstatements;

(r) The Obligors are subject to no material environmental, labour, pension or employee benefits liabilities or obligations that are overdue, and are not the subject of any material environmental, labour, pension or employee benefits violations; and

(s) All information provided by or on behalf of each Obligor to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is, true and accurate in all material respects on the date as of which such information was provided, not incomplete and does not omit to state any fact necessary to make such information (taken as a whole) not materially misleading at such time, in light of the circumstances under which such information was provided.

25. **Affirmative Covenants:** In addition to all other covenants and obligations contained herein, each Obligor agrees and covenants to perform and do each of the following until the DIP Facility is fully repaid:

(a) Provide the DIP Lender and its counsel draft copies of and the opportunity to review all motions, applications, proposed Court orders and other materials or documents that the Borrowers or Guarantors intend to file in the CCAA Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible on or prior to the date on which such motion, application, proposed Court order or other materials or document is served on the service list in respect of the CCAA Proceeding;

(b) Take all commercially reasonable actions necessary or available to defend the Second Amended and Restated Initial Order, and any other orders of the Court in the CCAA Proceedings to the extent relating to the DIP Facility or any other matter that affects the DIP Lender adversely in any material respect, from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the DIP Lender;

(c) Submit to the Court the Second Amended and Restated Initial Order, and any other Court orders which are being sought by the Obligor in a form confirmed in advance to be satisfactory to the DIP Lender to the extent relating to the DIP Facility or any other matter that affects the DIP Lender in any material respect, subject to any amendments that are required by the Court or the Obligors that are acceptable to the DIP Lender to the extent relating to the DIP Facility or any other matter that affects the DIP Lender in any material respect;

(d) Comply with the provisions of Court orders made in the CCAA Proceeding, including the Second Amended and Restated Initial Order;

(e) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, permit or license;

(f) Allow the DIP Lender, its employees, agents, advisors and representatives access to all information and documentation of the Obligors, as may be reasonably requested by the DIP Lender, during normal business hours, in each case subject to applicable privacy laws and solicitor-client privilege;

(g) Cause management and the transaction advisor of the Borrowers to cooperate with reasonable requests for information by the DIP Lender in connection with matters reasonably related to the DIP Facility, the CCAA Proceedings, the SISP (as defined below) or compliance of the Obligors with their obligations pursuant to this Agreement;

(h) Deliver to the DIP Lender the reporting and other information from time to time reasonably requested by the DIP Lender and as set

out in this Agreement including, without limitation, the Variance Reports at the times set out herein;

(i) Use the proceeds of the DIP Facility only in accordance with the restrictions set out in this Agreement and pursuant to the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) and Court orders;

(j) Comply with the Milestones (as defined below);

(k) Preserve, renew, maintain and keep in full force and effect its corporate existence and the material Authorizations required in respect of the Business or any of the Collateral;

(l) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Obligors;

(m) Conduct all business activities in the ordinary course of business, consistent with past practice;

(n) Except to the extent otherwise agreed by the DIP Lender (acting reasonably), preserve the Collateral and avoid any Encumbrance thereon;

(o) Maintain in good standing and in full force and effect all material security deposits, permits and licenses necessary for the operation of the business of the Obligors, the Steensby expansion and pursuit of the SISP, and advise the DIP Lender promptly of any actual or pending changes in the status of such material security deposits, licenses or permits, and use commercially reasonable efforts to cause the issuers of letters of credit posted to secure the Borrowers' obligations to renew such letters of credit;

(p) At all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the business of the Obligors with financially sound and reputable insurers in coverage and scope acceptable to the DIP Lender, acting reasonably, and, if requested by the DIP Lender, cause the DIP Lender to be listed as a loss payee or additional insured (as applicable) on such insurance policies;

(q) Comply with the terms of, and use commercially reasonable efforts to keep in full force and effect in accordance with their terms, all Material Contracts in all material respects, subject to any stay of proceedings in a Court order issued in the CCAA proceeding;

(r) Comply in all material respects with the terms of and keep in full force and effect in accordance with their terms, all supply arrangements material to the Borrowers' business including, without limitation, fuel supply and product shipping arrangements, subject to any Court order issued in the CCAA proceeding;

(s) Comply with the terms of and keep in full force and effect the Benefits Agreement;

(t) Maintain physical segregation of all Finished Product Funder's acquired product such that at all times any Finished Product

Funder's acquired product is identifiable, separate and apart from any product not acquired by the Finished Product Funder;

(u) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;

(v) Comply in all material respects with all applicable Laws and the terms and conditions of all Authorizations; and

(w) Pay when due all principal, interest, fees and other amounts payable by the Obligor under this Agreement to the DIP Lender.

26. **Negative Covenants:** Each Obligor covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender from and after the date hereof:

(a) Make any payment of principal or interest in respect of Indebtedness, or complete deliveries or processing of material on account of prepay or similar arrangements (other than in accordance with finished product funding arrangements with a Finished Product Funder), in each case existing as of the date of the Initial Order or declare or pay any dividends, except as provided for in the Approved Cash Flows;

(b) Issue any debt or equity instruments or securities, or other rights or entitlements to the foregoing;

(c) Except for the DIP Obligations, any Indebtedness secured by the Priority Charges, any other Indebtedness incurred in the ordinary course of business or incurred prior to the date hereof and ranking subordinate to the DIP Obligations, or Indebtedness contemplated by the Approved Cash Flows, incur or permit to exist any Indebtedness, or provide or seek or support a motion by another party to provide Indebtedness. This paragraph (c) shall not prohibit arrangements with a Finished Product Funder for the October 2026 through September 2027 period in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender;

(d) Enter into new agreements or commercial arrangements or amend any existing agreements or commercial arrangements of any kind with related parties or associates or Affiliates of related parties; for certainty, nothing herein shall restrict the Obligors' rights to disclaim any of the above contracts or arrangements with related parties or associates or Affiliates of related parties in accordance with the CCAA.

(e) Except for the Priority Charges, the DIP Charge, and any Encumbrance existing prior to the date hereof and ranking subordinate to the DIP Charge, create or permit to exist any Encumbrance, or provide or seek or support a motion by another party to provide an Encumbrance, upon any of the Collateral, other than such additional Encumbrances as are acceptable to the DIP Lender in its sole discretion. This paragraph (e) shall not prohibit

arrangements with a Finished Product Funder for the October 2026 through September 2027 period in form and substance acceptable to the DIP Lender in its sole discretion; provided, for clarity, that terms that are in aggregate at least as favourable to the Borrowers as the existing arrangement with the Finished Product Funder shall be acceptable to the DIP Lender;

(f) Make any payments outside the ordinary course of the Business, unless provided for in the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) or to ensure ongoing supply of goods or services essential for the Business;

(g) Make any investments, acquisitions, capital expenditures, or any loans to or guarantee the Indebtedness or obligations of any other Person or entity, other than in accordance with the Approved Cash Flow (but excluding any Excess Exploration and Expansion Expenses);

(h) Change its jurisdiction of incorporation or registered office;

(i) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other entity;

(j) Cease to carry on the Business as currently being conducted or materially change its operations or business practices, in each case without the consent of the DIP Lender;

(k) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking, other than (i) the sale or disposition of inventory in the ordinary course of business, or (ii) the disposition of obsolete, redundant or ancillary assets in accordance with the Second Amended and Restated Initial Order or another Court order;

(l) Except as otherwise contemplated in any Court order, or in accordance with the Approved Cash Flow, (i) establish or make any retention or bonus payments to any person; (ii) increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management; or (iii) make any payments to related parties, other than royalty payments, subject to section 14(iii);

(m) Enter into any settlement agreement or agree to any settlement arrangements with any regulatory authority or in connection with any material litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against the Obligor;

(n) Enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any Obligor would become the property of any other Person or Persons that does not provide for the full repayment of the obligations under the DIP Facility upon closing;

(o) Amend or seek to amend the Second Amended and Restated Initial Order;

(p) Use the Advances for any purpose other than the purposes permitted hereunder, as set out in the applicable Advance Confirmation Certificate and the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses), or such other purposes as may be agreed to by the DIP Lender, in writing;

(q) Disclaim, cancel or terminate any Material Contract, without the prior written consent of the DIP Lender;

(r) Seek, or consent to the appointment over any of the Obligors of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;

(s) Seek or consent to the lifting of the stay of proceedings in the Amended and Restated Initial Order or Second Amended and Restated Initial Order, as applicable, in favour of the Obligors; and

(t) Enter into any currency, interest rate, commodity or forward, futures, swap, options or other hedging arrangements, other than for ordinary course risk management purposes, without the consent of the DIP Lender.

27. **Sales and Investment Solicitation Process:** The Borrowers, Guarantors and DIP Lender agree that the Borrowers (in consultation with the Monitor) shall pursue a sale and investment solicitation process (the "**SISP**") approved pursuant to court order in form and substance acceptable to the DIP Lender (the "**SISP Order**"). The SISP Order shall be granted on or prior to the date that is 60 days following the issuance of the Second Amended and Restated Initial Order (the "**SISP Order Date**"), and for greater certainty the SISP Order shall establish various milestone dates for the SISP (together with the SISP Order Date, the "**Milestones**"). All terms of the SISP, including all Milestones, must be acceptable to the DIP Lender in its reasonable discretion. Forthwith after the date hereof, the Borrowers shall work with the Monitor to commence the process of identifying a financial advisor appropriately experienced and qualified to conduct the SISP. The financial advisor, its scope of services and compensation must be acceptable to the DIP Lender in its reasonable discretion.

28. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Any Court order to the extent relating to the DIP Facility or any other matter that affects the DIP Lender adversely in any material respect, is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacating, amendment or restatement is not in form and substance acceptable to the DIP Lender, including the issuance of a Court order:

(i) appointing a receiver and manager, receiver, interim receiver or similar official in respect of an Obligor;

(ii) terminating, lifting or amending the stay imposed within the CCAA Proceeding;

(iii) granting any other claim or Encumbrance of equal or priority status to that of the DIP Charge, other than the Priority Charges; or

(iv) staying, reversing, vacating or otherwise modifying this Agreement;

(b) The seeking or support by the Obligors of any Court order in the CCAA Proceedings that is not in form and substance acceptable to the DIP Lender, acting reasonably;

(c) Failure of an Obligor to diligently oppose any party that brings an application or motion for any of the relief set out in subsection 28(a) above;

(d) The failure of an Obligor to comply with, the Amended and Restated Initial Order, the Second Amended and Restated Initial Order, or any other Court order in the CCAA Proceedings;

(e) The lifting of the stay of proceedings granted in the Initial Order or the Second Amended and Restated Initial Order for any person to enforce upon their rights, or for the appointment of a receiver over any of the assets, property or undertaking of the Obligors;

(f) The CCAA Proceeding is terminated or converted to bankruptcy proceedings;

(g) The expiry without further extension of the stay of proceedings provided for in the Amended and Restated Initial Order or the Second Amended and Restated Initial Order;

(h) Failure of an Obligor to pay any amounts arising hereunder when due and owing hereunder;

(i) The Obligor ceases to carry on or maintain the Business or its assets in the ordinary course of the Business in compliance with the covenants contained in this Agreement, except where such cessation is otherwise consented to in advance in writing by the DIP Lender;

(j) Any representation or warranty made or given hereunder by any Obligor shall be incorrect or misleading in any material respect when made;

(k) Failure of an Obligor to perform or comply with any term or covenant of this Agreement, including the failure to achieve any Milestone;

(l) If an Obligor makes any material payments of any kind not permitted by this Agreement, the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) or any order of the Court;

(m) If the period of an Approved Cash Flow expires and, within the four-week period following such expiry (or such further extended period as may be applicable), no Updated Cash Flow has become an Approved Cash Flow;

(n) There shall exist a cumulative negative variance in excess of the Permitted Variance for the period from the date of the Second Amended and Restated Initial Order to the last day of such Testing Period, measured relative to the Approved Cash Flow (excluding for greater certainty any Excess Exploration and Expansion Expenses);

(o) Except as stayed by order of the Court or any other court with jurisdiction over the matter, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of CDN$500,000 in the aggregate, against any of the Obligors or the Collateral that is not released, discharged, vacated, or stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy; or

(p) Any plan is filed or sanctioned by the Court and such plan is in a form and in substance that is not acceptable to the DIP Lender and that does not provide for the repayment of the obligations under the DIP Facility in full upon implementation.

29. **Remedies:** Upon the occurrence and continuance of an Event of Default which is continuing on the date which is five (5) Business Days after the Borrowers have received written notice of such Event of Default from the DIP Lender, the DIP Lender may in its discretion, elect on prior written notice to the Borrowers and the Monitor to:

(a) set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable;

(b) terminate the DIP Facility;

(c) apply for a Court order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;

(d) Apply to a court: (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, property and assets of any Obligor; (ii) for the appointment of a trustee in bankruptcy of any Obligor; or (iii) to seek other relief;

(e) exercise the powers and rights of a secured party; and

(f) exercise all such other rights and remedies available to the DIP Lender hereunder, or pursuant to the Second Amended and Restated Initial Order and applicable Law.

No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

30. **Taxes:** All payments by an Obligor under this Agreement, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon the occurrence and continuance of an Event of Default, shall be made free and clear of, without reduction for or on

account of, any present or future Taxes; provided, however, that if any Taxes are required by applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to the DIP Lender under this Agreement, the amounts so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable hereunder at the rate or in the amount specified hereunder and the Obligors shall provide evidence satisfactory to the DIP Lender that the Taxes have been so withheld and remitted.

31. **Termination by Borrowers** The Borrowers shall be entitled to terminate this Agreement upon notice to the DIP Lender: (a) in the event that the DIP Lender has failed to fund any Advance when required to do so under this Term Sheet, or (b) at any time following the payment in full in immediately available funds of all of the outstanding DIP Obligations. Effective immediately upon such termination, all obligations of the Obligors and the DIP Lender under this Agreement shall cease, except for those obligations that explicitly survive termination. For greater certainty, all outstanding DIP Obligations in respect of all Advances funded prior to such termination shall become immediately due and payable concurrently with such termination and the DIP Lender shall not be required to make any further extensions of credit under this Agreement.

32. **Further Assurances:** The Obligors shall, at their own expense, from time to time do, execute and deliver or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.

33. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties related to the subject matter hereof. To the extent there is any inconsistency between this Agreement and any other documents entered into in connection herewith, this Agreement shall prevail.

34. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. Any such consent, approval, waiver, instruction, or other expression of the DIP Lender made hereunder may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the DIP Lender.

This Agreement may not be amended except by an instrument in writing signed by each of the Obligors and the DIP Lender.

35. **Severability:** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining

provisions hereof or effecting the validity of enforceability of such provision in any other jurisdiction.

36. **No Third Party Beneficiary:** No Person, other than the Obligors and the DIP Lender are entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.

37. **Counterparts and Facsimile Signatures:** This Agreement may be executed in any number of counterparts delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

38. **Assignment:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

39. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person as set forth below:

in the case of a notice to the Obligors at:

c/o Baffinland Iron Mines Corporation
360 Oakville Place Dr., Suite 300
Oakville, Ontario L6H 6K8

Attention: Mark O'Brien
Email: mark.obrien@baffinland.com

with a copy (which shall not constitute notice) to:

Davies Ward Phillips & Vineberg LLP
155 Wellington St. W.
Toronto, ON M5V 3J7
Attention: Natalie Renner and Rob Nicholls
Email: nrenner@dwpv.com and rnicholls@dwpv.com

in the case of a notice to the DIP Lender at:

c/o Export Development Canada
150 Slater Street
Ottawa, ON, K1A 1K3

Attention: Mark Doyle and Ashley Glen
Email: mdoyle@edc.ca; aglen@edc.ca

Attention: Loans Services
Email: LS-directlending@edc.ca

Attention: Covenants Officer
Email: covenantsofficer@edc.ca

With a copy to the DIP Lender's legal counsel:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, Ontario M5K 1E7

Attention: Evan Cobb
Email: evan.cobb@nortonrosefulbright.com

In either case, with a copy to the Monitor:

FTI Consulting Canada Inc.

Attention: Jeffrey Rosenberg
Email: Jeffrey.rosenberg@fticonsulting.com

With a copy to, which shall not constitute notice:

Osler, Hoskin & Harcourt LLP
First Canadian Place, 100 King St. W. #6200
Toronto, ON M5H 1H1

Attention: Marc Wasserman and Michael De Lellis
Email: mwasserman@osler.com and mdelellis@osler.com

Any notice delivered or transmitted to a Person as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

40. **Business Days:** If any event shall occur hereunder or any action shall be required hereunder on a day that is not a Business Day, then such event shall be deemed to occur and such action shall be deemed required on the next following Business Day.

41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

42. **Definitions:** For the purposes of this Agreement, unless context otherwise requires, the following terms have the respective meanings set out below, and grammatical variations of such terms have corresponding meanings:

"**Advance**" has the meaning given to that term in Section 8;

"**Advance Confirmation Certificate**" has the meaning given to that term in Section 8;

"**Affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

"**Agreement**" means this Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

"**Approved Cash Flow**" has the meaning given to that term in Section 14. The inclusion of a particular category of expenditure in the initial Approved Cash Flow shall not be an approval by the DIP Lender of any expenditures in any future period, not intended to be covered by the Approved Cash Flow.

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority related to the Collateral or the Business;

"**Amended and Restated Initial Order**" means the Order granted in the CCAA Proceedings on May 25, 2026 amending and restating the Initial Order;

"**Benefits Agreement**" means the impact benefits agreement between BIM Corp. and the Qikiqtani Inuit Association dated September 6, 2013, as amended on October 22, 2018, and as may be further amended, supplemented or amended and restated from time to time;

"**Borrowers**" has the meaning given to that term in the recitals;

"**Borrowers' Account**" has the meaning given to that term in Section 19;

"**Business**" means the business of iron ore mining at the Mary River Mine on Baffin Island in Nunavut, Canada.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or Ottawa, Ontario or in New York, New York;

"**CCAA**" has the meaning given to that term in the recitals;

"**CCAA Proceeding**" has the meaning given to that term in the recitals;

"**Collateral**" means all now-owned and hereafter-acquired assets and property of the Obligors, real and personal, tangible or intangible and all proceeds therefrom, including the Borrowers' Account and all assets used in the Business;

"**Court**" has the meaning given to that term in the recitals;

"**Default**" means the occurrence or existence of any event, fact or circumstances, that with the giving of notice, passage of time, or both, would constitute an Event of Default;

"**Default Rate**" has the meaning given to that term in Section 12;

"**DIP Charge**" has the meaning given to that term in Section 17;

"**DIP Facility**" has the meaning given to that term in Section 7;

"**DIP Obligations**" has the meaning given to that term in Section 17;

"**DIP Security**" means security documents granted by the Obligors providing for a security interest in the Collateral and related personal property security registrations made in favour of the DIP Lender in connection with such security interest together with such confirmations, financing statements, renewals, amendments, discharges, insurance endorsements, or other documents as may be reasonably requested by the DIP Lender as security for the DIP Obligations;

"**Encumbrances**" means any hypothec, encumbrance, lien, charge, pledge, deposit arrangement, mortgage, title retention agreement, trust, deemed trust, security interest of any nature, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, royalty, stream, offtake, prepayment or any other arrangement or condition that in substance or effect secures payment or performance of an obligation, or any contract to create any of the foregoing;

"**Event of Default**" has the meaning given to that term in Section 28;

"**Excess Exploration and Expansion Expenses**" means, unless otherwise consented to by the DIP Lender in writing in its sole discretion,

(i) expenditures by the Obligors on exploration activities that either: (a) exceed amounts necessary to preserve the assets or Authorizations of the Obligors, including preserving existing assets and Authorizations that are strictly necessary for Steensby expansion, or (b) exceed US$10,000,000 in aggregate from the date of this Agreement; and

(ii) expenditures of the Obligors on expansion of operations in amounts that either: (a) exceed the amounts necessary to preserve the assets or Authorizations of the Obligors, including preserving existing assets and Authorizations that are strictly necessary for Steensby expansion, or (b) exceed US$20,000,000 in aggregate from the date of this Agreement.

"**Extension Fee**" means a fee payable to the DIP Lender in the amount of 1% of the Facility Amount, which shall accrue and be payable in cash at the Maturity Date (if payable).

"**Facility Amount**" has the meaning given to that term in Section 7;

"**Finished Product Funder**" means IRH or any party who enters into a finished product funding arrangement with the Borrowers similar to the current arrangements with IRH, for the October 2026 through September 2027 period.

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hedging Obligations**" means, with respect to any Person, the net payment obligations of such Person outstanding under (a) interest rate or currency swap agreements, interest rate or currency cap, collar or floor agreements and (b) any other agreements or arrangements entered into in order to protect such Person against fluctuations in commodity prices, interest rates or currency exchange rates;

"**Indebtedness**" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all letters of credit, letters of guarantee and similar instruments, notes or other similar instruments, (c) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, (d) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, I all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, and (f) all obligations of such Person to otherwise assure a creditor against loss (for certainty, Hedging Obligations incurred by an Obligor in the ordinary course shall not be considered Indebtedness for purposes of this Agreement);

"**Indemnified Persons**" has the meaning given to that term in Section 23;

"**Initial Order**" means the Initial Order granted in the CCAA Proceedings on May 15, 2026;

"**Interest Payment Date**" has the meaning given to that term in Section 12;

"**Interest Rate**" has the meaning given to that term in Section 12;

"**Law**" means any federal, provincial, county, territorial, district, municipal, local or foreign, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

"**Material Contract**" means any contract, license or agreement: (i) to which a Borrower or Guarantor is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of a Borrower or Guarantor; and (iii) which such Borrower or Guarantor cannot promptly

replace by an alternative and comparable contract with comparable commercial terms.

"**Maturity Date**" has the meaning given to that term in Section 21;

"**Monitor**" means FTI Consulting Canada Inc., as the court-appointed monitor of the Borrowers and Nunavut Iron Ore Mines, Inc.;

"**Obligors**" has the meaning given to that term in Section 5;

"**Permitted Variance**" means a variance of not more than 10% relative to the aggregate net cash flow (excluding for greater certainty any Excess Exploration and Expansion Expenses) on a cumulative basis since the beginning of the period covered by the applicable Approved Cash Flow; provided that for the purposes of determining any net cash flow, the fees, costs and expenses payable to the Monitor, the DIP Lender or their respective advisors shall be excluded from such net cash flow.

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee;

"**Priority Charges**" has the meaning given to that term in Section 17;

"**Restructuring Transaction**" means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, plan or other material transaction of, or in respect of, the Obligors, or any of them, or all or a material portion of their Business, assets or obligations;

"**Royalty Agreements**" means, collectively, (i) the royalty agreement entered into among the Borrowers, 15877580 Canada Inc., ArcelorMittal Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc. dated March 25, 2024 and (ii) the royalty agreement entered into among the Borrowers, 16572367 Canada Inc., 15877563 Canada Inc. and 15877482 Canada Inc.;

"**Second Amended and Restated Initial Order**" means an order, or orders, of the Court, in form and substance satisfactory to the DIP Lender (acting reasonably) and obtained on application made on notice to, such Persons as the DIP Lender and Obligors determine, acting reasonably, among other things, amending and restating the Amended and Restated Initial Order, approving the DIP Facility, granting the DIP Charge and granting the Obligors an extension of the stay of proceedings;

"**Tax**" and "**Taxes**" means any taxes, duties, fees, premiums and assessments imposed by any Governmental Authority, including all interest, penalties, fines or additions to tax imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, excise, withholding, business, franchising, property, development, occupancy, payroll, health, social services, education, employment and all social security taxes, all surtaxes, all customs, duties and import and export taxes, countervail and

anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, and other government pension plan premiums or contributions;

"**Updated Cash Flow**" has the meaning given to that term in Section 14; and

"**Withholding Taxes**" has the meaning given to that term in Section 30.

IN WITNESS WHEREOF, the parties hereto have causes this Agreement to be executed by their duly authorized representatives as of the date first written above.

DIP LENDER:

HIS MAJESTY IN RIGHT OF CANADA

Per: _____
Name: Mark Doyle
Title: Senior Special Risks Manager, Export Development Canada

Per: _____
Name: Alexandre Richard
Title: Special Risks Manager, Export Development Canada

BORROWERS:

BAFFINLAND IRON MINES CORPORATION

by _____
Name:
Title:

by _____
Name:
Title:

BAFFINLAND IRON MINES LP, by its general partner, BAFFINLAND IRON MINES CORPORATION

by _____

Name:
Title:

by _____

Name:
Title:

GUARANTORS:

NUNAVUT IRON ORE, INC.

by _____

Name:
Title:

by _____

Name:
Title:

12334992 CANADA INC.

by _____

Name:
Title:

by _____

Name:
Title:

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

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 June 3, 2026)

DAVIES WARD PHILLIPS & VINEBERG LLP
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Toronto ON M5V 3J7

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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	)	FRIDAY, THE 5TH
MADAM JUSTICE STEELE	)	DAY OF JUNE, 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

SECOND AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation ("**BIMC**"), 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 Order**"), as amended and restated on May 25, 2026, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicants dated May 15, 2026 (the "**Application Record**"), including the Affidavit of Celeste van Tonder sworn May 14, 2026 (the "**Initial Van Tonder Affidavit**"), the Motion Record of the Applicants dated May 20, 2026, including the Affidavit of Celeste van Tonder sworn May 20, 2026 (the "**Second Van Tonder Affidavit**"), the Motion Record of the Applicants dated June 3, 2026 (together, with the Motion Record dated May 20, 2026, the "**Motion Records**"), including

the Affidavit of Celeste van Tonder sworn June 3, 2026 (the "**Third Van Tonder Affidavit**" and together with the Initial Van Tonder Affidavit and the Second Van Tonder Affidavit, the "**Van Tonder Affidavits**"), 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 May 22, 2026, and the Second Report of the Monitor (the "**Second 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 lawyer's certificate 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 Records, 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 Van Tonder Affidavits, as applicable, 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, subject to the terms of the DIP Agreement (as defined below) 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, notwithstanding anything else in this Order: (a) the Canadian Imperial Bank of Commerce ("**CIBC**") and The Bank of Nova Scotia ("**BNS**"), each in their capacity as issuer of any letter of credit where BIMC is principal shall be permitted to set-off or otherwise enforce against any cash or Guaranteed Investment Certificate held in an account with CIBC or BNS as collateral ("**Cash Collateral**") for the payment obligations owing to CIBC or BNS in respect of any such letter of credit (the "**LC Payment Obligations**"), or, in the case of BNS, for the payment obligations owing to BNS in respect of any corporate credit cards issued by BNS to or for the benefit of BIMC (collectively, the "**Corporate Card Obligations**"), (b) each of CIBC, BNS and the Bank of Montreal ("**BMO**") shall be permitted to deliver any notice or demand to BIMC that it

deems necessary for the sole purpose of drawing upon any demand bond or guarantee or other third party credit support or security provided to CIBC, BNS or BMO to secure any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations, and (c) CIBC and BNS shall be an unaffected creditor under any Plan with respect to any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

8. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement, the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of the Initial 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 the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(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; and

(c) with the consent of the Monitor, amounts owing for goods or services supplied to the Debtors prior to the date of the Initial Order by third-party suppliers or service providers, if, in the opinion of the Debtors such supplier or service provider is critical to the Business or the Property.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the DIP Agreement, 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 the date of the Initial 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) payment for goods or services actually supplied to the Debtors following the date of the Initial Order.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall pay all amounts due and payable after the date of the Initial Order to the Qikiqtani Inuit Association in accordance with the Benefits Agreement, other than such amounts which are subject to a bona fide dispute with respect to payment between the Debtors and the Qikiqtani Inuit Association.

11. **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, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(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 the Initial Order, or where such Sales Taxes were accrued or collected prior to the date of the Initial Order but not required to be remitted until on or after the date of the Initial 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.

12. **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 the Initial 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 the Initial Order shall also be paid.

13. **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 the date of the Initial Order; (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

14. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, 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, subject to the terms of the Benefits Agreement with respect to any Inuit employees; 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**").

15. **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.

16. **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

17. **THIS COURT ORDERS** that until and including August 28, 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

18. **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

19. **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

20. **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 the Initial 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

21. **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 the Initial Order, nor shall any Person be under any obligation on or after the date of the Initial 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 THE D&O PARTIES

22. **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

23. **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.

24. **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 23 of this Order. The D&O Charge shall have the priority set out in paragraphs 42 and 44 herein.

25. **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 23 of this Order.

APPOINTMENT OF MONITOR

26. **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.

27. **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) assist the Debtors, to the extent required by the Debtors, in their dissemination to the DIP Lender (as defined below) of financial and other

information in accordance with the DIP Agreement, or as may otherwise be agreed between the Debtors 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 Debtors in their preparation of the Debtors' cash flow statements and the reporting required by the DIP Lender under the DIP Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Lender in accordance with the DIP Agreement;

(e) advise the Debtors in their development of the Plan and any amendments to the Plan;

(f) 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;

(g) 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;

(h) 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

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

28. **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.

29. **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.

30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Debtors, including without limitation, the DIP Lender, 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.

31. **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

32. **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 the Initial 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.

33. **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.

34. **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 date of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 44 herein.

DIP FINANCING

35. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to obtain and borrow or guarantee, as applicable, a senior secured, super-priority, debtor-in-possession, interim, revolving credit facility under a DIP Facility Loan Agreement dated as of June 3, 2026 (as may be amended, restated, supplemented and/or modified from time to time) (the "**DIP Agreement**") from His Majesty in Right of Canada , as represented

by Export Development Canada (the "**DIP Lender**"), in order to finance the Debtors' working capital requirements, other general corporate purposes and capital expenditures, and other amounts permitted under the DIP Agreement, provided that borrowings under such credit facility shall not exceed the maximum principal amount of US$400 million in a Finished Product Funding Scenario or US$475 million in a Finished Product Non-Funding Scenario (each as defined in the DIP Agreement), in each case unless permitted by further Order of this Court.

36. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Agreement attached as Exhibit "**I**" to the Third Van Tonder Affidavit.

37. **THIS COURT ORDERS** that the Debtors are 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 DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Charge**") on the Property to secure all obligations then outstanding and owing to the DIP Lender under the DIP Agreement or the Definitive

Documents, in each case arising on or after the date of this Order. The DIP Charge shall not secure any obligation that exists before the date of the Initial Order, and shall have the priority set out in paragraphs 42 and 44 herein.

39. **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 Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Agreement, which is continuing on the date which is 5 business days after the Debtors have received written notice of such event of default from the DIP Lender, the DIP Lender may in its discretion, exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP 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 Debtors and for the appointment of a trustee in bankruptcy of the Debtors; 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 Debtors or the Property.

40. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by the Debtors under the CCAA, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made pursuant to the DIP Agreement, other than after payment in full in cash to the DIP Lender of all DIP Obligations owing to it on or before the date such Plan is implemented.

41. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Agreement or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Agreement and the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

Second – the D&O Charge (to the maximum amount of US$20.4 million); and

Third – the DIP Charge (to the maximum amount of the DIP Obligations then outstanding).

43. **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.

44. **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, other than the rights of CIBC or BNS in respect of any Cash Collateral in respect of any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

45. **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 or the Cash Collateral, unless the Debtors also obtain the prior written consent: (a) in the case of the Charges, the Monitor and the beneficiaries of the affected Charges, and (b) in the case of the Cash Collateral, the Monitor, the beneficiaries of the affected Charges and CIBC and BNS, or, in each case, further Order of this Court.

46. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees thereunder (the "**Chargees**") 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 the 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall 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 Debtors entering into the DIP Agreement or the Definitive Documents, creation of the Charges or the execution, delivery or performance of the DIP Agreement or the Definitive Documents; and

(c) the payments made by the Debtors pursuant to this Order or the DIP Agreement 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.

47. **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

48. **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 the Initial 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 $1,000, 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.

49. **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.

50. **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.

51. **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.

52. **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).

SEALING

53. **THIS COURT ORDERS** that Confidential Exhibits "**D**" and "**G**" to the Third Van Tonder Affidavit, and Confidential Appendix "■" to the Second Report are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

54. **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.

55. **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.

56. **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.

57. **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.

58. **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.

59. **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 hereof and is enforceable without the need for entry and filing.

_____

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

SECOND AMENDED AND RESTATED INITIAL ORDER

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM JUSTICE ~~CONWAY~~STEELE	)))	~~MONDAY~~FRIDAY, THE ~~25th~~5TH DAY OF ~~MAY~~JUNE, 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

SECOND AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation ("**BIMC**"), 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~~"),Order**"), as amended and restated on May 25, 2026, was heard this day ~~by judicial videoconference~~at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicants dated May 15, 2026 (the "**Application Record**"), including 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**"),~~, including the Affidavit of Celeste van Tonder sworn May 20, 2026 (the "**Second Van Tonder Affidavit**"), the Motion Record of the Applicants dated June 3, 2026 (together, with the Motion Record dated May 20, 2026, the "**Motion Records**"), including the Affidavit of Celeste van Tonder sworn June 3, 2026 (the "**Third Van Tonder Affidavit**" and together with the Initial Van Tonder Affidavit and the Second Van Tonder Affidavit, the "**Van Tonder Affidavits**"), 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 May 22, 2026, and the Second Report of the Monitor (the "~~**First**~~**Second 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~~lawyer's certificate 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~~Records, 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~~Affidavits, as applicable, 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, subject to the terms of the DIP Agreement (as defined below) 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, notwithstanding anything else in this Order: (a) the Canadian Imperial Bank of Commerce ("**CIBC**") and The Bank of Nova Scotia ("**BNS**"), each in their capacity as issuer of any letter of credit where BIMC is principal shall be permitted to set-off or otherwise enforce against any cash or Guaranteed Investment Certificate held in an account with CIBC or BNS as collateral ("**Cash Collateral**") for the

payment obligations owing to CIBC or BNS in respect of any such letter of credit (the "**LC Payment Obligations**"), or, in the case of BNS, for the payment obligations owing to BNS in respect of any corporate credit cards issued by BNS to or for the benefit of BIMC (collectively, the "**Corporate Card Obligations**"), (b) each of CIBC, BNS and the Bank of Montreal ("**BMO**") shall be permitted to deliver any notice or demand to BIMC that it deems necessary for the sole purpose of drawing upon any demand bond or guarantee or other third party credit support or security provided to CIBC, BNS or BMO to secure any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations, and (c) CIBC and BNS shall be an unaffected creditor under any Plan with respect to any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

8. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement, the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of ~~this~~the Initial 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~~the Initial 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~~.~~; and

(c) with the consent of the Monitor, amounts owing for goods or services supplied to the Debtors prior to the date of the Initial Order by third-party suppliers or service providers, if, in the opinion of the Debtors such supplier or service provider is critical to the Business or the Property.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the DIP Agreement, 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~~the date of the Initial 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~~

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

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall pay all amounts due and payable after the date of the Initial Order to the Qikiqtani Inuit Association in accordance with the Benefits Agreement, other than such amounts which are subject to a bona fide dispute with respect to payment between the Debtors and the Qikiqtani Inuit Association.

~~10~~11. **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, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(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~~the Initial Order, or where such Sales Taxes were accrued or collected prior to the date of ~~this~~the

Initial Order but not required to be remitted until on or after the date of ~~this~~the Initial 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.

~~11~~12. **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~~the Initial 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~~the Initial Order shall also be paid.

~~12~~13. **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~~the date of the Initial Order; (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

~~13~~14. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, 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, subject to the terms of the Benefits Agreement with respect to any Inuit employees; 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**").

~~14~~15. **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.

~~15~~16. **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

~~16~~17. **THIS COURT ORDERS** that until and including ~~June 5~~August 28, 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

~~17~~18. **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

~~18~~19. **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

~~19~~20. **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~~the Initial 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

~~20~~21. **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~~the Initial Order, nor shall any Person be under any obligation on or after the date of ~~this~~the Initial 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 THE D&O PARTIES

~~21~~22. **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

~~22~~23. **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.

~~23~~24. **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 ~~22~~23 of this Order. The D&O Charge shall have the priority set out in paragraphs ~~34~~42 and ~~36~~44 herein.

~~24~~25. **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 ~~22~~23 of this Order.

APPOINTMENT OF MONITOR

~~25~~26. **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.

~~26~~27. **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) assist the Debtors, to the extent required by the Debtors, in their dissemination to the DIP Lender (as defined below) of financial and other information in accordance with the DIP Agreement, or as may otherwise be agreed between the Debtors and the DIP Lender, which may be used

in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(~~c~~d) advise the Debtors in their preparation of the Debtors' cash flow statements and the reporting required by the DIP Lender under the DIP Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Lender in accordance with the DIP Agreement;

(~~d~~e) advise the Debtors in their development of the Plan and any amendments to the Plan;

(~~e~~f) 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~~g) 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~~h) 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~~i) perform such other duties as are required by this Order or by this Court from time to time.

~~27~~28. **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.

~~28~~29. **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.

~~29~~30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Debtors, including without limitation, the DIP Lender, 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.

~~30~~31. **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

~~31~~32. **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~~the Initial 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.

~~32~~33. **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.

~~33~~34. **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~~date of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~34~~42 and ~~36 hereof~~44 herein.

DIP FINANCING

35. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to obtain and borrow or guarantee, as applicable, a senior secured, super-priority,

debtor-in-possession, interim, revolving credit facility under a DIP Facility Loan Agreement dated as of June 3, 2026 (as may be amended, restated, supplemented and/or modified from time to time) (the "**DIP Agreement**") from His Majesty in Right of Canada , as represented by Export Development Canada (the "**DIP Lender**"), in order to finance the Debtors' working capital requirements, other general corporate purposes and capital expenditures, and other amounts permitted under the DIP Agreement, provided that borrowings under such credit facility shall not exceed the maximum principal amount of US$400 million in a Finished Product Funding Scenario or US$475 million in a Finished Product Non-Funding Scenario (each as defined in the DIP Agreement), in each case unless permitted by further Order of this Court.

36. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Agreement attached as Exhibit "**I**" to the Third Van Tonder Affidavit.

37. **THIS COURT ORDERS** that the Debtors are 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 DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Charge**") on the Property to secure all obligations then outstanding and owing to the DIP Lender under the DIP Agreement or the Definitive Documents, in each case arising on or after the date of this Order. The DIP Charge shall not secure any obligation that exists before the date of the Initial Order, and shall have the priority set out in paragraphs 42 and 44 herein.

39. **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 Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Agreement, which is continuing on the date which is 5 business days after the Debtors have received written notice of such event of default from the DIP Lender, the DIP Lender may in its discretion, exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP 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 Debtors and for the appointment of a trustee in bankruptcy of the Debtors; 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 Debtors or the Property.

40. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by the Debtors under the CCAA, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made pursuant to the DIP Agreement, other than after payment in full in cash to the DIP Lender of all DIP Obligations owing to it on or before the date such Plan is implemented.

41. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Agreement or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without

limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Agreement and the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

3442. **THIS COURT ORDERS** that the priorities of the Administration Charge and, the D&O Charge, and the DIP 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)., and

Third – the DIP Charge (to the maximum amount of the DIP Obligations then outstanding).

3543. **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.

3644. **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, other than the rights of CIBC

or BNS in respect of any Cash Collateral in respect of any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

~~37~~45. **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 or the Cash Collateral, unless the Debtors also obtain the prior written consent: (a) in the case of the Charges, the Monitor and the beneficiaries of the affected Charges, and (b) in the case of the Cash Collateral, the Monitor, the beneficiaries of the affected Charges and CIBC and BNS, or, in each case, further Order of this Court.

~~38~~46. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees thereunder (the "**Chargees**") 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 the 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) neither the creation of the Charges ~~shall not~~nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall 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 Debtors entering into the DIP Agreement or the Definitive Documents, creation of the Charges or the execution, delivery or performance of the DIP Agreement or the Definitive Documents; and

(c) the payments made by the Debtors pursuant to this Order or the DIP Agreement 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.

~~39~~47. **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

~~40~~48. **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~~the Initial 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~~1,000, 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.

~~41~~49. **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.

~~42~~50. **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.

~~43~~51. **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.

~~44~~52. **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).

SEALING

53. **THIS COURT ORDERS** that Confidential Exhibits "**D**" and "**G**" to the Third Van Tonder Affidavit, and Confidential Appendix "■" to the Second Report are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

~~45~~54. **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.

~~46~~55. **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.

~~47~~56. **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.

~~48~~57. **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.

~~49~~58. **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.

~~50~~59. **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 ~~Initial Filing Date~~date hereof 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

SECOND AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants and Baffinland Iron Mines LP

Summary report: Litera Compare for Word 11.14.1.3 Document comparison done on 2026-06-03 10:13:55 PM	
Style name: Davies (with strikethrough for delete)	
Intelligent Table Comparison: Active	
Original filename: 4164-7629-2200.9 Amended and Restated Initial Order [Final Word Version Submitted to Court for Comeback Hearing].docx	
Modified filename: 4125-7254-8457.4 Second Amended and Restated Initial Order [Version Served on June 3].docx	
Changes:	
Add	140
~~Delete~~	97
~~Move From~~	3
Move To	3
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	243

~~Revised: January 21, 2014~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE ~~—~~ MADAM JUSTICE ~~—~~STEELE	)))	~~WEEKDAY~~FRIDAY, THE ~~#~~ 5TH DAY OF ~~MONTH~~JUNE, ~~20YR~~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 ~~[APPLICANT'S NAME] (the "Applicant")~~NUNAVUT IRON ORE, INC., BAFFINLAND IRON MINES CORPORATION, AND 12334992 CANADA INC.

Applicants

SECOND AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by ~~the Applicant,~~Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation ("**BIMC**"), 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 Order**"), as amended and restated on May 25, 2026, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~affidavit of [NAME] sworn [DATE] and the Exhibits thereto~~Application Record of the Applicants dated May 15, 2026 (the "**Application Record**"), including the Affidavit of Celeste van Tonder sworn May 14, 2026 (the "**Initial**

Van Tonder Affidavit"), the Motion Record of the Applicants dated May 20, 2026, including the Affidavit of Celeste van Tonder sworn May 20, 2026 (the "**Second Van Tonder Affidavit**"), the Motion Record of the Applicants dated June 3, 2026 (together, with the Motion Record dated May 20, 2026, the "**Motion Records**"), including the Affidavit of Celeste van Tonder sworn June 3, 2026 (the "**Third Van Tonder Affidavit**" and together with the Initial Van Tonder Affidavit and the Second Van Tonder Affidavit, the "**Van Tonder Affidavits**"), 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 May 22, 2026, and the Second Report of the Monitor (the "**Second 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][1]~~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~~lawyer's certificate 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] 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).~~

1. **THIS COURT ORDERS** that the time for service of the Notice of Application ~~and~~, the Application Record, and the Motion Records, is hereby abridged and validated[2] 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 Van Tonder Affidavits, as applicable, and that any words importing the singular include the plural and vice versa.

APPLICATION

~~2~~3. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~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

~~3~~**4.** **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**").

[2] ~~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.~~

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.

~~5~~6. ~~[~~**THIS COURT ORDERS** that ~~the Applicant~~, subject to the terms of the DIP Agreement (as defined below) the Debtors shall be entitled to continue to utilize the central cash management system[3] currently in place as described in the 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,

~~[3] 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.~~

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.~~]~~

7. **THIS COURT ORDERS** that, notwithstanding anything else in this Order: (a) the Canadian Imperial Bank of Commerce ("**CIBC**") and The Bank of Nova Scotia ("**BNS**"), each in their capacity as issuer of any letter of credit where BIMC is principal shall be permitted to set-off or otherwise enforce against any cash or Guaranteed Investment Certificate held in an account with CIBC or BNS as collateral ("**Cash Collateral**") for the payment obligations owing to CIBC or BNS in respect of any such letter of credit (the "**LC Payment Obligations**"), or, in the case of BNS, for the payment obligations owing to BNS in respect of any corporate credit cards issued by BNS to or for the benefit of BIMC (collectively, the "**Corporate Card Obligations**"), (b) each of CIBC, BNS and the Bank of Montreal ("**BMO**") shall be permitted to deliver any notice or demand to BIMC that it deems necessary for the sole purpose of drawing upon any demand bond or guarantee or other third party credit support or security provided to CIBC, BNS or BMO to secure any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations, and (c) CIBC and BNS shall be an unaffected creditor under any Plan with

respect to any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

~~6~~8. **THIS COURT ORDERS** that~~ the Applicant~~, subject to the terms of the DIP Agreement, the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after ~~this~~the date of the Initial 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~~the Initial 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 ~~Applicant~~Debtors in respect of these proceedings, at their standard rates and charges~~.~~; and

(c) with the consent of the Monitor, amounts owing for goods or services supplied to the Debtors prior to the date of the Initial Order by third-party suppliers or service providers, if, in the opinion of the Debtors such supplier or service provider is critical to the Business or the Property.

~~7~~9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, ~~the Applicant~~and subject to the terms of the DIP Agreement, the Debtors shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Debtors in carrying on the Business in the ordinary course after ~~this~~the date of

the Initial 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) payment for goods or services actually supplied to the ~~Applicant~~Debtors following the date of ~~this~~the Initial Order.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall pay all amounts due and payable after the date of the Initial Order to the Qikiqtani Inuit Association in accordance with the Benefits Agreement, other than such amounts which are subject to a bona fide dispute with respect to payment between the Debtors and the Qikiqtani Inuit Association.

~~8~~11. **THIS COURT ORDERS** that the ~~Applicant~~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) ~~Quebec~~Northern Employee Benefits Services Pension Plan, and (iv) income taxes~~;~~, and all other amounts related to such

deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(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~~the Initial Order, or where such Sales Taxes were accrued or collected prior to the date of ~~this~~the Initial Order but not required to be remitted until on or after the date of ~~this~~the Initial 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.

~~9~~12. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~**[or resiliated]**~~[4]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

[4] ~~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~~the Initial 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~~the Initial Order shall also be paid.

~~10~~13. **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~~the date of the Initial Order; (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

~~11~~14. **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)~~DIP Agreement, 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[5];

(b) terminate the employment of such of its their employees or temporarily lay off such of its their employees as it deems they deem appropriate, subject to the terms of the Benefits Agreement with respect to any Inuit employees; 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 15. **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

[5] 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.

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 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~~16. **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~~17. **THIS COURT ORDERS** that until and including ~~[DATE – MAX. 30 DAYS]~~August 28, 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 ~~Applicant~~Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~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

~~15~~18. **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 ~~Applicant~~Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Debtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (~~i~~a) empower the ~~Applicant~~Debtors to carry on any business which the ~~Applicant is~~Debtors are not lawfully entitled to carry on, (~~ii~~b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (~~iii~~c) prevent the filing of any registration to preserve or perfect a security interest, or (~~iv~~d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

~~16~~19. **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 ~~Applicant~~Debtors, except with the written consent of the ~~Applicant~~Debtors and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

~~17~~20. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~Debtors, and that the ~~Applicant~~Debtors 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~~the Initial Order are paid by the ~~Applicant~~Debtors in accordance with normal payment practices of the ~~Applicant~~Debtors or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

~~18~~21. **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~~the Initial Order, nor shall any Person be under any obligation on or after the date of ~~this~~the Initial 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.[6]

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

~~19~~22. **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

~~[6] 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).~~

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.

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

~~20~~23. **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,[7] 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.

~~21~~24. **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**

[7] ~~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.~~

Charge")[8] 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]~~23 of this Order. The ~~Directors'~~D&O Charge shall have the priority set out in paragraphs ~~[38]~~42 and ~~[40]~~44 herein.

~~22~~25. **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 ~~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]~~23 of this Order.

APPOINTMENT OF MONITOR

~~23~~26. **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

~~[8] 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.~~

provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

2427. **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'sDebtors' 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) assist the ApplicantDebtors, to the extent required by the ApplicantDebtors, in itstheir dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis(as defined below) of financial and other information as in accordance with the DIP Agreement, or as may otherwise be agreed to between the ApplicantDebtors 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 itsDebtors in their preparation of the Applicant'sDebtors' cash flow statements and the reporting required by the DIP Lender under the DIP Agreement, 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~~in accordance with the DIP ~~Lender~~Agreement;

(e) advise the ~~Applicant in its~~Debtors in their development of the Plan and any amendments to the Plan;

(f) 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;

(g) 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;

(h) 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

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

~~25~~28. **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.

~~26~~29. **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.

~~27~~30. **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the ~~Applicant and~~Debtors, including without limitation, the DIP Lender, 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.

~~28~~31. **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 ~~no~~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~~32. **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 the Initial 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~~33. **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~~34. **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~~date of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~42 and ~~[40] hereof~~44 herein.

DIP FINANCING

~~32~~35. **THIS COURT ORDERS** that the ~~Applicant is~~Debtors are hereby authorized and empowered to obtain and borrow ~~under a~~or guarantee, as applicable, a senior secured, super-priority, debtor-in-possession, interim, revolving credit facility ~~from [~~under a DIP ~~LENDER'S NAME]~~ Facility Loan Agreement dated as of June 3, 2026 (as may be amended, restated, supplemented and/or modified from time to time) (the "**DIP**

Agreement") from His Majesty in Right of Canada , as represented by Export Development Canada (the "**DIP Lender**"), in order to finance the ~~Applicant's~~Debtors' working capital requirements ~~and~~, other general corporate purposes and capital expenditures, and other amounts permitted under the DIP Agreement, provided that borrowings under such credit facility shall not exceed ~~$●~~ the maximum principal amount of US$400 million in a Finished Product Funding Scenario or US$475 million in a Finished Product Non-Funding Scenario (each as defined in the DIP Agreement), in each case unless permitted by further Order of this Court.

~~33~~36. **THIS COURT ORDERS** ~~THAT~~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~~DIP Agreement attached as Exhibit "**I**" to the Third Van Tonder Affidavit.

~~34~~37. **THIS COURT ORDERS** that the ~~Applicant is~~Debtors are 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~~DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Debtors are hereby authorized and directed to pay and perform all of ~~its indebtedness, interest, fees, liabilities and~~their obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Agreement and the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

3538. **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 to secure all obligations then outstanding and owing to the DIP Lender under the DIP Agreement or the Definitive Documents, in each case arising on or after the date of this Order. The DIP Charge shall not secure anany obligation that exists before this Order is made. The DIP Lender's Charge the date of the Initial Order, and shall have the priority set out in paragraphs [38]42 and [40] hereof44 herein.

3639. **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 ● days notice to the Applicant and the Monitor, may DIP Agreement, which is continuing on the date which is 5 business days after the Debtors have received written notice of such event of default from the DIP Lender, the DIP Lender may in its discretion, exercise any and all of its rights and remedies against the ApplicantDebtors or the Property under or pursuant to the Commitment LetterDIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ApplicantDebtors and set off and/or consolidate any amounts owing by the DIP Lender to the ApplicantDebtors against the obligations of the

~~Applicant~~Debtors to the DIP Lender under the ~~Commitment Letter~~DIP Agreement, 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~~Debtors and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Debtors; 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~~Debtors or the Property.

~~37~~40. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed by the DIP Lender, the DIP Lender shall be treated as unaffected in any ~~plan of arrangement or compromise~~Plan filed by the ~~Applicant~~Debtors under the CCAA, or any proposal filed by the ~~Applicant~~Debtors under the *Bankruptcy and Insolvency Act* ~~of~~ (Canada) (the "**BIA**"), with respect to any advances made ~~under the Definitive Documents~~pursuant to the DIP Agreement, other than after payment in full in cash to the DIP Lender of all DIP Obligations owing to it on or before the date such Plan is implemented.

41. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation),

under the DIP Agreement or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Agreement and the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

~~38~~42. **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge, the D&O Charge, and the DIP ~~Lender's~~ Charge~~,~~ (collectively, the "**Charges**") as among them, shall be as follows[9]:

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

Second – ~~DIP Lender's~~the D&O Charge (to the maximum amount of US$20.4 million); and

Third – ~~Directors'~~the DIP Charge (to the maximum amount of ~~$~~●the DIP Obligations then outstanding).

~~39~~43. **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

[9] ~~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.~~

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.

4044. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall~~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, other than the rights of CIBC or BNS in respect of any Cash Collateral in respect of any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

4145. **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 or the Cash Collateral, unless the ~~Applicant~~Debtors also ~~obtains~~obtain the prior written consent: (a) in the case of the ~~Monitor~~Charges, the ~~DIP Lender~~Monitor and the beneficiaries of the ~~Directors' Charge and the Administration Charge, or~~ affected Charges, and (b) in the case of the Cash Collateral, the Monitor, the beneficiaries of the affected Charges and CIBC and BNS, or, in each case, further Order of this Court.

4246. **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,~~ thereunder (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 the 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~~DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the ~~Applicant~~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~~Debtors entering into the ~~Commitment Letter, the~~DIP Agreement or the Definitive Documents, creation of the Charges~~,~~ or the execution, delivery or performance of the DIP Agreement or the Definitive Documents; and

(c) the payments made by the ~~Applicant~~Debtors pursuant to this Order~~, the Commitment Letter~~ or the DIP Agreement 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.

~~43~~47. **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

~~44~~48. **THIS COURT ORDERS** that the Monitor shall (~~i~~a) without delay, publish in ~~[newspapers specified by the Court]~~the *Globe and Mail* (National Edition), a notice containing the information prescribed under the CCAA, (~~ii~~b) within five days after the date of ~~this~~the Initial Order, (~~A~~i) make this Order publicly available in the manner prescribed under the CCAA, (~~B~~ii) 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~~1,000, and (~~C~~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.

49. **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.

4550. **THIS COURT ORDERS** that the E-Service ~~Protocol~~Guide of the Commercial List (the "**~~Protocol~~Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~Guide (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 ~~21~~13 of the ~~Protocol~~Guide, service of documents in accordance with the ~~Protocol~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ~~Protocol~~Guide with the following URL ~~'<@>'~~: https://cfcanada.fticonsulting.com/baffinland.

4651. **THIS COURT ORDERS** that if the service ~~or~~, 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 ~~or~~, 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~~.

52. **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).

SEALING

53. **THIS COURT ORDERS** that Confidential Exhibits "**D**" and "**G**" to the Third Van Tonder Affidavit, and Confidential Appendix "■" to the Second Report are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

~~47~~54. **THIS COURT ORDERS** that the ~~Applicant~~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.

~~48~~55. **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 ~~Applicant~~Debtors, the Business or the Property.

~~49~~56. **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 ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

~~50~~57. **THIS COURT ORDERS** that each of the ~~Applicant~~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.

~~51~~58. **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.

~~52~~59. **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~~hereof and is enforceable without the need for entry and filing.

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

SECOND AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants and Baffinland Iron Mines LP

Summary report: Litera Compare for Word 11.14.1.3 Document comparison done on 2026-06-03 10:15:31 PM	
Style name: Davies (with strikethrough for delete)	
Intelligent Table Comparison: Active	
Original filename: model initial order - ccaa-en.doc	
Modified filename: 4125-7254-8457.4 Second Amended and Restated Initial Order [Version Served on June 3].docx	
Changes:	
Add	428
~~Delete~~	397
~~Move From~~	35
Move To	35
Table Insert	2
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	897

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, 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 APPLICATION

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing *(choose one of the following)*

☐ In writing
☐ In person
☐ By telephone conference
☒ By video conference

By Zoom on May 15, 2026 at 10 am before a judge presiding over the Commercial List

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicants' lawyer or, where the Applicant does not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO

OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7

SERVICE LIST
(AS AT MAY 14, 2026)

TO:	**DAVIES WARD PHILLIPS & VINEBERG LLP** 155 Wellington St W, Toronto, ON M5V 3J7 **Robin Schwill** Tel: 416.863.5502 Email: rschwill@dwpv.com **Natalie Renner** Tel: 416.367.7489 Email: NRenner@dwpv.com *Counsel for the Applicants and Baffinland Iron Mines LP*
AND TO:	**FTI CONSULTING CANADA INC.** TD South Tower, 79 Wellington Street West Toronto Dominion Centre, Suite 2010, P.O. Box 104 Toronto, ON M5K 1G8 **Greg Watson** Tel: 416 649 8077 Email: greg.watson@fticonsulting.com **Jeffrey Rosenberg** Tel: 416 649 8073 Email: jeffrey.rosenberg@fticonsulting.com *Proposed Monitor*

AND TO:	**OSLER, HOSKIN & HARCOURT LLP** 100 King Street West 1 First Canadian Place Suite 4600, P.O. Box 50 Toronto, ON M5X 1B8 **Marc Wasserman** Tel: 416.862.4908 Email: mwasserman@osler.com **Michael De Lellis** Tel: 416.862.5997 Email: mdelellis@osler.com *Counsel to the Proposed Monitor*
AND TO:	**STIKEMAN ELLIOTT LLP** 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 **Maria Konyukhova** Tel: 416.869.5230 Email: mkonyukhova@stikeman.com *Counsel to Oaktree Capital Management, L.P.*
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APPLICATION

1. **THIS APPLICATION IS MADE BY** Nunavut Iron Ore, Inc. ("**NIO**"), Baffinland Iron Mines Corporation ("**BIM Corp.**"), and 12334992 Canada Inc. ("**123 Canada Inc.**") (the "**Applicants**" and, together with Baffinland Iron Mines LP ("**BIM LP**"), the "**Debtors**"), for an order, substantially in the form attached at Tab 3 of this Application Record for an order (the "**Initial Order**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), among other things:[1]

(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;

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[1] Capitalized terms used and not otherwise defined have the meaning given to them in the Affidavit of Celeste van Tonder sworn May 14, 2026 (the "**Van Tonder Affidavit**").

(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.

2. 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;

(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.

THE GROUNDS OF THE APPLICATION ARE:

Overview of the Debtors and their Financial Circumstances

3. 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.

4. 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.

5. 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.

6. 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.

7. 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. 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, the consolidated financial information of Baffinland and 123 Canada Inc. more accurately represent the Debtors' financial position.

8. 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.

9. 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 sealift 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.

10. In these circumstances, the Debtors require the protection of the CCAA to stabilize their operations, preserve the going-concern value of their business, procure their annual fuel and supply requirements, secure debtor-in-possession financing and allow them the

breathing room to pursue a refinancing, recapitalization, restructuring plan, investment or sale solicitation process (or any combination of the foregoing).

11. 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.

Stay of Proceedings

12. 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. 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.

13. 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.

Appointment of the Monitor

14. 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.

15. FTI is a "trustee" within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and 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.

Administration Charge

16. 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.

17. The quantum of the Administration Charge is proposed to be increased at the Comeback Hearing.

D&O Charge

18. 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.

19. The Debtors' existing director and officer insurance likely does not provide sufficient coverage against the potential liability that the directors, members of the Operating Committee and officers could incur in relation to these CCAA proceedings.

20. 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.

21. 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, and their resignations would complicate these CCAA proceedings and risk destroying value for the stakeholders.

22. As such, the Debtors request that the D&O Charge be granted pursuant to the Initial Order 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.

23. 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.

Cash Management

24. 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.

25. 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.

DIP Facility and DIP Charge

26. 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 underway. 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.

27. 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 devising and implementing a Strategic Process. A DIP facility is critical to the Debtors' ability to continue operating the Mine and ability to pursue a value-maximizing transaction for the benefit of all of their stakeholders.

28. 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.

Key Employee Retention Plan and Key Employee Incentive Plan

29. 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.

30. 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.

31. 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.

Critical Suppliers and Critical Supplier Charge

32. 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.

Priority of Charges

33. 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.

OTHER GROUNDS

34. The provisions of the CCAA, including sections 2(1), 3(1), 10(2), 11, 11.02, 11.2, 11.7, 11.52 and the inherent and equitable jurisdiction of this Court.

35. Rules 1.04, 2.01, 2.03, 3.02, 14.05, 16 and 38 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended.

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

37. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

38. The Van Tonder Affidavit including the Exhibits thereto;

39. The Consent of FTI to Act as Monitor;

40. The Pre-Filing Report of the Monitor; and

41. Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 14, 2026

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Counsel for the Applicants and Baffinland Iron Mines LP

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

NOTICE OF APPLICATION

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Lawyers for the Applicants and Baffinland Iron Mines LP

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 sealift 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.

TABLE OF CONTENTS

PART I – THE DEBTORS' FINANCIAL CIRCUMSTANCES

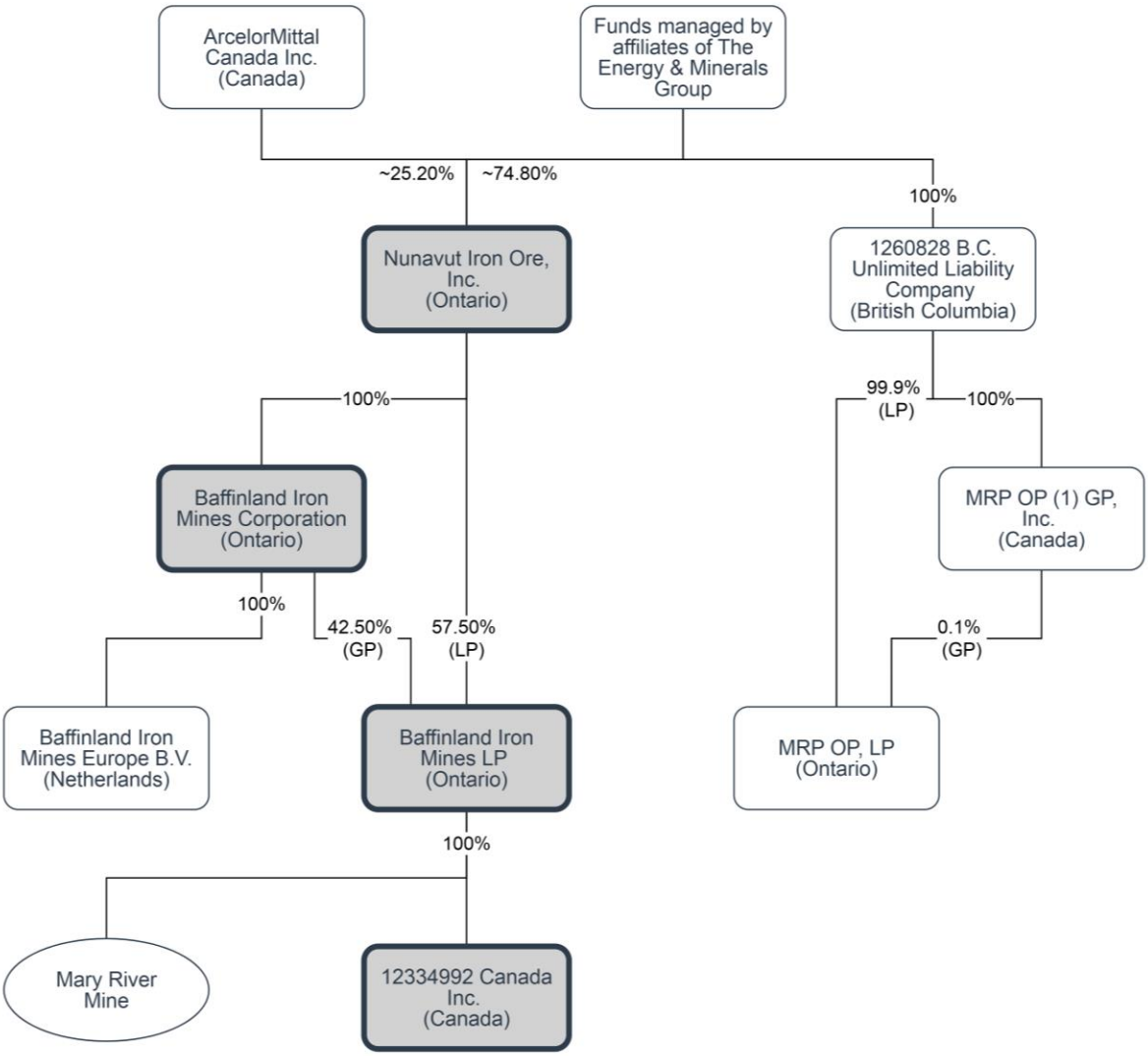
A. OVERVIEW OF THE DEBTORS

(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[1], its shareholders Arcelor and EMG[2], 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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1 Formerly AM Baffinland ULC and Nunavut Iron Ore, Inc.

2 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.[3]

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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[3] 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,[4] 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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[4] 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)
Current Assets	
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
Total Current Assets	**$472.0**
Non-Current Assets	
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
Total Assets	**$2,685.9**

(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)
Current Liabilities	
Accounts payable and accrued liabilities	$229.9
Deferred revenue	$223.6
Debt	$775.5
Lease liabilities	$3.7
Rehabilitation provision	$0.3
Total Current Liabilities	**$1,233.0**
Non-Current Liabilities	

	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
Total Liabilities	**$1,460.6**

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:

	Secured Debt	**Total Principal Amount**
First	Oaktree and Hartree under the Credit Facility	$126.5 million
Second (pari passu with the Holders of the Senior Secured Notes due 2026)	EDC	$75 million
Second (pari passu with EDC)	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

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

CELESTE VAN TONDER

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.[1]	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

[1] 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 application 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 20th day of May, 2026 in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

Sean Monahan

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

CELESTE VAN TONDER

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

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TORONTO

MOTION RECORD

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