

Court File No. _____

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

PRE-FILING REPORT OF THE PROPOSED MONITOR

May 14, 2026

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

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

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

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

INTRODUCTION

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

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

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

TERMS OF REFERENCE

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

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

EXECUTIVE SUMMARY

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

FTI AND ITS AFFILIATES

QUALIFICATIONS TO ACT

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

INVOLVEMENT TO DATE OF FTI

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

THE DEBTORS' BUSINESS & AFFAIRS AND FINANCIAL DIFFICULTIES

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

THE PROPOSED CONDUCT OF THE CCAA PROCEEDINGS

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

THE MAY 14 FORECAST

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

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

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

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

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

THE STAY OF PROCEEDINGS

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

THE PROPOSED ADMINISTRATION CHARGE

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

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

THE PROPOSED D&O CHARGE

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

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

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

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

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

Dated this 14th day of May, 2026.

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



Jeffrey Rosenberg
Senior Managing Director



Nate Fennema
Managing Director

Appendix A

Monitor's Consent to Act

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

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

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

CONSENT TO ACT AS MONITOR

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

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

FTI CONSULTING CANADA INC.

Per: _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

Appendix B

The May 14 Forecast

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

Illustrative Consolidated Cash Flow Projections

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

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

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

Disclaimer

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

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

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



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

Attention: Mr. Jeffrey Rosenberg

MAY 14, 2026

Dear Sir:

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

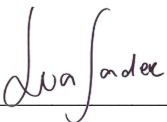
In connection with the application by the Applicants for the commencement of proceedings under the *Companies' Creditors Arrangement Act*, the management of the Applicants has prepared the attached 2-week projected cash flow statement for the period May 16, 2026 to May 29, 2026 (the "**May 14 Forecast**")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

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

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

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

Yours truly,

Per:  _____

Name: Celeste Van Tonder
Title: CFO

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

Court File No. _____

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

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

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

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