

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

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

**SECOND REPORT OF THE MONITOR**

**June 4, 2026**

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.

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

**INTRODUCTION**

1. On May 15, 2026 (the “**Filing Date**”), Nunavut Iron Ore, Inc. (“**NIO**”), Baffinland Iron Mines Corporation (“**BIM**”) and 12334992 Canada Inc. (“**123**”, and together with NIO and BIM, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) granting, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) to May 25, 2026 in favour of the Applicants and Baffinland Iron Mines LP (“**BIM LP**”, and together with the Applicants, the “**Debtors**”) and appointing FTI Consulting Canada Inc. (“**FTI**”) as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. On May 25, 2026, the Applicants sought and obtained an Amended and Restated Initial Order (the “**ARIO**”) under the CCAA granting, *inter alia*, an extension to the Stay of Proceedings in favour of the Debtors to June 5, 2026 (the “**Stay Period**”), an increase in the Administration Charge, and an increase in the D&O Charge.

3. This second report of the Monitor (the “**Second Report**”) has been prepared to inform the Court of the following:
- (a) The activities of the Monitor since the First Report;
  - (b) The Debtors’ actual cash receipts and disbursements for the period of May 15, 2026 to May 29, 2026, and a comparison to the cash flow forecast attached as Appendix “B” to the First Report of the Monitor, along with an updated cash flow forecast for the period ending August 28, 2026 (the “**June Forecast**”);
  - (c) The process undertaken by the Debtors, with the assistance of the Monitor, to secure the Debtors’ annual fuel supply which needs to be delivered during the July-to-October shipping season (the “**Sealift Season**”) and the resulting arrangement entered with Kildair Services ULC (“**Kildair**”);
  - (d) The solicitation process undertaken by the Debtors and the Monitor to secure debtor-in-possession (“**DIP**”) financing for the CCAA Proceedings (the “**DIP Solicitation Process**”);
  - (e) The Applicants’ motion for the granting of a Second Amended and Restated Initial Order (the “**SARIO**”), and the Monitor’s recommendation thereon, providing, *inter alia*, for the following:
    - (i) Approval of:

1. The DIP Facility Term Sheet (the “**DIP Financing Agreement**”) dated June 3, 2026, between BIM and BIM LP, as Borrowers; NIO and 123, as Guarantors; and His Majesty in Right of Canada, as represented by Export Development Canada (“**EDC**”) (the “**DIP Lender**”) pursuant to which the DIP Lender has agreed to advance up to a maximum principal amount of \$400 million (the “**DIP Facility**”) to the Borrowers (which amount will be increased to a maximum of \$475 million in the event of a Finished Product Non-Funding Scenario (defined below)), subject to the terms and conditions of the DIP Financing Agreement, with an initial loan amount of up to \$110 million (the “**Bridge Advances**”) being available during the four week period beginning on the date of the SARIO (the “**Bridge Period**”); and
2. A priority charge in favour of the DIP Lender on all the assets, property and undertakings of the Debtors in order to secure the obligations under the DIP Financing Agreement as described below (the “**DIP Charge**”);
  - (ii) Approval of the authority for the Applicants to pay certain pre-filing amounts to certain critical suppliers with the consent of the Monitor;
  - (iii) An extension of the Stay Period to August 28, 2026; and
  - (i) Sealing of the Confidential Exhibits to the Third Van Tonder Affidavit (defined below); and
- (f) The recommendation of the Monitor in respect of the above.

## TERMS OF REFERENCE

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

8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the pre-filing report of FTI in its then capacity as proposed monitor dated May 14, 2026 (the “**Pre-Filing Report**”), a copy of which (without appendices) is attached hereto as **Appendix “A”**; the Monitor’s first report to the Court (the “**First Report**”), a copy of which (without appendices) is attached hereto as **Appendix “B”**; the first affidavit of Celeste Van Tonder, Chief Financial Officer of the Applicants, sworn May 14, 2026 in support of the Initial Order (the “**First Van Tonder Affidavit**”); the second affidavit of Ms. Van Tonder, sworn May 20, 2026 in support of the ARIO (the “**Second Van Tonder Affidavit**”); the third affidavit of Ms. Van Tonder, sworn June 3, 2026 in support of the within motion (the “**Third Van Tonder Affidavit**”); or the ARIO, as applicable.

## **EXECUTIVE SUMMARY**

### **THE APPLICANTS’ REQUEST FOR THE SARIO**

9. The Monitor is of the view that:
  - (a) The Debtors need stability and funding to enable them to immediately proceed with procuring necessary supplies to be delivered during the upcoming Sealift Season. These expenditures are required to maintain going concern operations at the Mary River Mine (the “**Mine**”);
  - (b) In light of the Debtors’ liquidity needs, the DIP Facility is necessary, the terms of the DIP Financing Agreement are reasonable and within market parameters, and the DIP Financing Agreement was chosen by the Debtors after the completion of the DIP Solicitation Process undertaken by the Debtors and the Monitor, which resulted in two viable Final DIP Proposals (defined below) and one Final DIP Proposal that was not viable;

- (c) The DIP Facility includes the concept of the Bridge Period, which is structured in a manner that preserves the rights of stakeholders' to challenge the continuation of the DIP Financing Agreement beyond the Bridge Period so that such stakeholders will not be materially prejudiced by the approval of the DIP Financing Agreement or the granting of the DIP Charge at this time, should the Court ultimately determine that a different DIP facility be approved at a later date;
- (d) The Monitor intends to liaise with stakeholders who wish to participate in litigation concerning the DIP Facility to ensure that the matter is brought before the court in a fair, efficient and timely manner;
- (e) Based on stakeholder feedback and the Monitor's observations of the CCAA Proceedings to date, and as is common in Canadian restructuring proceedings, the Monitor recommends that an experienced Chief Restructuring Officer ("CRO") be appointed in respect of the Debtors. The Monitor will work with stakeholders in identifying an appropriate CRO and will make a recommendation to the Court in that regard;
- (f) The proposed authority for the Applicants to pay certain pre-filing amounts to certain critical suppliers with the consent of the Monitor is reasonable and appropriate in the circumstances to ensure the continued uninterrupted operation of the Debtors' business;
- (g) Circumstances exist that make the proposed extension of the Stay Period appropriate, that creditors of the Debtors would not be materially prejudiced by the proposed extension of the Stay Period and the Debtors have acted, and are acting, in good faith and with due diligence; and
- (h) The proposed sealing of the Confidential Exhibits to the Third Van Tonder Affidavit is necessary and appropriate in the circumstances.

10. Accordingly, the Monitor respectfully recommends that the Debtors' request for the SARIO be granted by this Honourable Court.

#### **ACTIVITES OF THE MONITOR SINCE THE FIRST REPORT**

11. In accordance with its duties as outlined in the ARIO and its prescribed rights and obligations under the CCAA, the activities of the Monitor since the First Report have included the following:
  - (a) participating in regular discussions with the Debtors and their legal counsel regarding, among other things, the CCAA Proceedings, communications with stakeholders and business operations;
  - (b) attending meetings of the operating committee of the Debtors, which is comprised of representatives of NIO's two shareholders (the "**Operating Committee**");
  - (c) assisting the Debtors with communications with employees, key suppliers, government entities, and other stakeholders, including the Qikiqtani Inuit Association and its affiliates;
  - (d) supervising the DIP Solicitation Process, with the assistance of its counsel and the Debtors and their counsel;
  - (e) assisting in the process undertaken by the Debtors to secure the Debtors' annual fuel supply for delivery during the Sealift Season and the resulting arrangement entered with Kildair;
  - (f) monitoring the cash receipts and disbursements of the Debtors and preparing the June Forecast;
  - (g) responding to stakeholder enquiries regarding the CCAA Proceedings generally and the DIP Solicitation Process;

- (h) maintaining and uploading documents to the Monitor's Website;
- (i) posting an updated service list for the CCAA Proceedings on the Monitor's Website; and
- (j) preparing this Second Report.

## **RECEIPTS AND DISBURSEMENTS FOR THE PERIOD ENDED MAY 29 AND THE JUNE FORECAST**

### *Receipts and Disbursements for the period ended May 29, 2026*

- 12. The First Report included a cash-flow forecast for the period of May 15, 2026 to June 5, 2026 (the "**May 22 Forecast**").
- 13. The Debtors' actual net cash flow for the two-week period from May 15, 2026 to May 29, 2026 was \$5.8 million, compared to a forecast negative net cash flow of approximately \$12.6 million, as noted in the May 22 Forecast attached to the Monitor's First Report, representing a positive variance of approximately \$18.4 million as summarized below:

<b>Cumulative Two Weeks Ended May 29, 2026</b>			
<b>(\$USD in millions)</b>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Total Receipts</b>	<b>17.5</b>	<b>6.1</b>	<b>11.3</b>
<b>Operating Disbursements</b>			
Labour	(5.4)	(6.1)	0.7
Vendor Payments	(5.5)	(8.6)	3.1
Sealift Purchases	(0.5)	(0.9)	0.5
<b>Total Operating Disbursements</b>	<b>(11.3)</b>	<b>(15.6)</b>	<b>4.3</b>
Exploration	-	(0.5)	0.5
Steensby Project Costs	(0.3)	(1.2)	0.9
<b>Operating Cash Flow</b>	<b>5.8</b>	<b>(11.2)</b>	<b>17.1</b>
<b>Overhead Costs</b>			
G&A Disbursements	-	(1.4)	1.4
<b>Total Overhead Costs</b>	<b>-</b>	<b>(1.4)</b>	<b>1.4</b>
<b>Net Cash Flow</b>	<b>5.8</b>	<b>(12.6)</b>	<b>18.4</b>
<b>Cash</b>			
Beginning Balance (excl. Restricted Cash)	15.4	15.4	-
Net Cash Flow	5.8	(12.6)	18.4
<b>Ending Cash Balance</b>	<b>21.2</b>	<b>2.8</b>	<b>18.4</b>

14. Explanations for the key variances are as follows:
- (a) \$11.3 million positive timing variance in Total Receipts due to arrival of offtake arrangement proceeds one week earlier than forecast;
  - (b) \$3.1 million positive timing variance in vendor payments as orders from critical vendors were held pending finalization of DIP financing terms;
  - (c) \$1.4 million positive timing variance in Exploration and Steensby Project Costs due to delayed orders for non-discretionary capital expenditures pending finalization of DIP financing terms; and
  - (d) \$1.4 million positive timing variance in General and Administrative Disbursements due to timing of payments and Management's efforts to conserve cash where possible.

*June Forecast*

15. In this Second Report, the Monitor also sets out the June Forecast for the period of May 30, 2026 to August 28, 2026.
16. The June 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 “C”**. The June Forecast shows a net cash outflow of approximately \$217 million for the period May 30, 2026, to August 28, 2026, and is summarized below:

<b>Cash Flow Forecast</b>	
<i>(\$USD in millions)</i>	<i>Forecast</i>
<b>Net Commercial Receipts</b>	<b>59.4</b>
<b>Operating Disbursements</b>	
Labour	(35.1)
Vendor Payments	(65.6)
Sealift Purchases	(103.4)
Equipment Leases	(1.0)
Sustaining Capital Costs	(20.0)
Overhead Costs	(8.9)
Exploration Costs	(6.4)
Steensby Project Costs	(13.1)
Other Costs	(13.1)
Professional Fees (CCAA)	(9.5)
<b>Net Cash Flow</b>	<b>(216.7)</b>
<b>Cash</b>	
Beginning Balance (excl. Restricted Cash)	21.2
Net Cash Flow	(216.7)
Debt Advances (Repayments)	215.5
<b>Ending Cash Balance</b>	<b>20.0</b>
<b>DIP Financing</b>	
Beginning Balance	-
Debt Advances (Repayments)	215.5
Accrued Fees	2.5
<b>Ending Balance</b>	<b>218.0</b>

17. The Monitor notes that the June Forecast requires interim financing in the amount of approximately \$103 million for the four-week period ending July 3, 2026. As such, the DIP Facility contemplates the receipt of the Bridge Advances during the Bridge Period.
18. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:
  - (a) The June 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 11 thereof;
  - (b) The 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 Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the June Forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the June Forecast;
  - (c) Based on its review, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:
    - (i) The hypothetical assumptions are not consistent with the purpose of the June Forecast;
    - (ii) As at the date of this Second 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 June Forecast, given the hypothetical assumptions; or

- (iii) The June Forecast does not reflect the probable and hypothetical assumptions;
- (d) Since the June Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the June Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Second Report, or relied upon by the Monitor in preparing this Second Report; and
- (e) The June Forecast has been prepared solely for the purpose described in Note 1 on the face of the June Forecast and readers are cautioned that it may not be appropriate for other purposes.

## **FUEL ARRANGEMENTS**

19. As set out in the First Van Tonder Affidavit, as a component of their ordinary course operations, the Debtors purchase their entire annual fuel supply during the Sealift Season, which is the only period when sea ice retreats sufficiently to permit vessel passage to the Mine. The Debtors' operations are heavily dependent on fuel and all jet fuel and 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.

20. Also as set out in the First Van Tonder Affidavit, in November 2025, BIM LP entered into a fuel supply agreement (the “**Fuel Supply Agreement**”) with Hartree Partners, LP (“**Hartree**”) and Kildair, an entity indirectly controlled by Hartree Partners GP, LLC. Under the Fuel Supply Agreement, Kildair had both a right of first refusal and a right of last offer to supply all fuel (including arctic diesel and jet fuel) required by the Debtors for their operations at the Mine at prevailing market prices. Pursuant to the Fuel Supply Agreement, Hartree was entitled to an advisory fee equal to 2% of the fully loaded cost of all fuel purchased for the Mine, plus 50% of any cost savings relative to the 2025 fuel price index, subject to certain adjustments.
21. As set out in the First and Second Van Tonder Affidavits, 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. Prior to the Initial Order, offers for the procurement of fuel required the Debtors to make a material cash deposit to secure supply.
22. Following the issuance of the Initial Order, on May 18, 2026, the Debtors issued a request for final fuel proposals. The Debtors ultimately received three final fuel proposals from interested parties.
23. The Debtors, in consultation with the Monitor, selected the fuel proposal from Kildair to supply fuel to the Debtors for the 2026 Sealift Season. On May 28, 2026, Kildair, as seller, and BIM LP, as buyer, entered into a fuel supply agreement (the “**2026 Fuel Supply Agreement**”). Pursuant to the 2026 Fuel Supply Agreement, Kildair will supply the Debtors with approximately 50,000 m<sup>3</sup> of arctic diesel and approximately 1,000 m<sup>3</sup> of jet fuel.
24. The 2026 Fuel Supply Agreement is standalone and not subject to any of the terms in the Fuel Supply Agreement.

## **DIP SOLICITATION PROCESS**

25. Unless otherwise defined or specified, capitalized terms used in this section of the Second Report and the DIP Financing Agreement and DIP Charge section below, are as defined in the DIP Financing Agreement, a copy of which is attached as **Appendix “D”** hereto.

## **PRE-FILING DIP SOLICITATION PROCESS**

26. Prior to the commencement of the CCAA Proceedings, the Debtors engaged FTI to act as their financial advisor.
27. Prior to the Filing Date, FTI, on behalf of the Debtors, began to solicit DIP financing proposals as a contingency if a recapitalization transaction with an ad hoc group (the **“Ad Hoc Noteholder Group”**) of the holders of senior secured notes due 2026 of the Debtors (the **“Noteholders”**) could not be achieved.
28. In this pre-filing process, FTI engaged with two secured creditors of the Debtors, being (a) Opps XII BLIM Holdings, L.P., an entity affiliated with Oaktree Capital Management LP (**“Oaktree”**) and Hartree; and (b) EDC, as well as two other financial institutions. The Debtors did not reach out to the Ad Hoc Noteholder Group regarding potential DIP financing at this time as they did not want to distract from the potential recapitalization transaction.
29. As part of this process, the Debtors, with the assistance of FTI, entered into non-disclosure agreements (**“NDAs”**) with certain of the parties noted above and provided such parties with a draft DIP term sheet and a pre-filing interim budget.
30. The Debtors, with the assistance of FTI, received drafts of DIP Term Sheets, and commenced negotiating terms with certain of these parties.

31. In the days leading up to the CCAA filing, the Debtors received one non-binding DIP financing proposal. The Debtors and FTI reviewed this proposal. Ultimately, the Debtors, in consultation with FTI, determined that a DIP was not needed for the initial Stay Period; however, the Debtors determined that their deteriorating financial situation was sufficiently acute such that the initial CCAA filing needed to occur as soon as possible, and that the Debtors would benefit from an expanded and formal DIP Solicitation Process being launched with the benefit of the Stay of Proceedings following the granting of the Initial Order.

#### **POST-FILING DIP SOLICITATION PROCESS**

32. Following the granting of the Initial Order, on May 15, 2026, the Monitor prepared a DIP process letter (the “**DIP Solicitation Letter**”), a copy of which is attached hereto as **Appendix “E”**.
33. The DIP Solicitation Letter was distributed to six parties or their advisors known to the Debtors or the Monitor as having interest in the DIP Solicitation Process, including the following secured creditors of the Debtors: (a) Oaktree and Hartree; (b) EDC; and (c) the Ad Hoc Noteholder Group.
34. As set out in the DIP Solicitation Letter, the Debtors and the Monitor undertook the DIP Solicitation Process to source necessary financing to satisfy the Debtors’ working capital requirements, general corporate purposes, post-filing expenses and expansion plans during the CCAA Proceedings. Based on FTI’s pre-filing involvement with the Debtors and discussions with Management, and the acute liquidity needs of the Debtors, it was determined that an expanded but targeted DIP Solicitation Process with interested potential lenders was most likely to obtain competitive DIP proposals in a timely manner.

35. Parties interested in participating in the DIP Solicitation Process (the “**DIP Participants**”) were required to have executed an NDA acceptable to the Debtors and the Monitor. After executing an NDA, the DIP Participants (or their representatives) were provided with, among other things, a post-filing interim financing budget and related presentation, a form of interim financing term sheet (the “**Draft DIP Term Sheet**”), a copy of which is attached as **Appendix “F”**, as well as a 13-week cash flow forecast for the Debtors. NDAs (including pre-filing NDAs) were executed with five DIP Participants (or their representatives).
36. DIP Participants were initially asked to submit final, definitive, executed interim financing term sheets, along with a blackline to the Draft DIP Term Sheet by 5:00 p.m. (Toronto time) on May 20, 2026 (the “**DIP Deadline**”).
37. Following significant interest being received in the DIP Solicitation Process, and the Monitor and the Debtors’ review of the May 22 Forecast, which, subject to the assumptions contained therein, projected sufficient liquidity for the Debtors to continue going concern operations until June 5, 2026, on May 19, 2026, the Monitor communicated to the DIP Participants that the DIP Deadline was extended to 5:00 p.m. (Toronto time) on May 25, 2026. This extension was intended to provide sufficient time in the context of the CCAA Proceedings to enable the DIP Participants to put their best proposal forward.
38. The Monitor, in coordination with the Debtors, engaged with the DIP Participants leading up to and following the DIP Deadline.

#### **SELECTION OF THE DIP FINANCING AGREEMENT**

39. On May 25, 2026, the Monitor received three competing DIP proposals from interested parties (the “**Initial DIP Proposals**”, and the parties that submitted the Initial DIP Proposals, the “**Potential DIP Lenders**”):
  - (a) An Initial DIP Proposal from the DIP Lender;

- (b) An Initial DIP Proposal from Oaktree, Hartree, and the Ad Hoc Noteholder Group (collectively, the “**Ad Hoc DIP Group**”); and
  - (c) An Initial DIP Proposal from IRH Global Trading Ltd. (“**IRH**”).
40. The Initial DIP Proposals were considered by the Debtors and the Monitor. On May 27, 2026, the Monitor sent each of the DIP Lender, the Ad Hoc DIP Group and IRH a bespoke issues list (collectively, the “**Issues Lists**”) with respect to the Initial DIP Proposal submitted by each applicable Potential DIP Lender and requested responses by 3:00 p.m. (Toronto time) that same day.
41. On May 27, 2026, the Monitor received responses to the Issues Lists from the DIP Lender, the Ad Hoc DIP Group and IRH (the “**Issues Lists Responses**”).
42. On May 28, 2026, the Debtors sent each of the Ad Hoc DIP Group and the DIP Lender a revised DIP term sheet and, on May 29, 2026, the Debtors sent IRH a revised DIP term sheet, each of which took into consideration the DIP Participants’ respective Initial DIP Proposals, the Issues Lists and the Issues Lists Responses (collectively, the “**Revised DIP Term Sheets**”). The Revised DIP Term Sheets included comments from the Debtors in an attempt to align the terms and covenants of the DIP proposals and to facilitate comparison among them.
43. The Revised DIP Term Sheets also included revisions that reflected the Debtors’ request that the Potential DIP Lenders provide financing for a four-week bridge period as part of their Final DIP Proposal, in the event that the Debtors’ request for approval of a DIP is contested before the Court.
44. In conjunction with sending out the Revised DIP Term Sheets, the Debtors requested that the Potential DIP Lenders provide final DIP proposals (the “**Final DIP Proposals**”) by 2:00 p.m. (Toronto time) on May 30, 2026 (the “**Final DIP Proposal Deadline**”).

45. On May 29, 2026, the Monitor, the Debtors and each of their respective counsel held calls with representatives of each Potential DIP Lender in advance of the Final DIP Proposal Deadline.
46. The Monitor received inquiries from the Potential DIP Lenders concerning discretionary and non-discretionary “Steensby Project Costs” and “Exploration Costs” which were set out in the financial information provided. As such, in the evening of May 29, 2026, the Monitor advised the Potential DIP Lenders of its view as to what quantum of “Steensby Project Costs” and “Exploration Costs” is either necessary to spend or discretionary to spend.
47. On May 30, 2026,<sup>1</sup> the Monitor and the Debtors received the Final DIP Proposals from the Potential DIP Lenders, copies of which are attached to the Third Van Tonder Affidavit as **Confidential Exhibit “G”**.
48. On June 1, 2026, the Operating Committee convened a meeting, at which time counsel to the Debtors, and the Monitor, presented their respective views as to the viability of the bids. The Monitor informed the Debtors and the Operating Committee that the IRH Final DIP Proposal did not contain sufficient certainty of funding in the context of these complex CCAA Proceedings and that it did not support the selection of the IRH Final DIP Proposal by the Debtors, notwithstanding that it had a more favourable interest rate and cost features.

---

<sup>1</sup> The Monitor notes that the Final DIP Proposal from the Ad Hoc DIP Group was received after the 2:00 p.m. deadline. However, given the tight timelines in the DIP Solicitation Process, and to ensure that the Final DIP Proposals from all Potential DIP Lenders were given fair consideration, the DIP Proposal from the Ad Hoc DIP Group was considered alongside the two other Final DIP Proposals received.

49. The Monitor provided its view that the Final DIP Proposals received from the DIP Lender and the Ad Hoc DIP Group were both viable proposals for the Debtors. Management and counsel for the Debtors indicated that the DIP Lender provided the superior proposal. The Monitor further indicated that it is of the view that the Final DIP Proposal received from the DIP Lender was superior on balance, and the Monitor would support its acceptance by the Debtors.
50. The Operating Committee ultimately selected the Final DIP Proposal from the DIP Lender, subject to the clarification of certain provisions, as it was determined, in the business judgement of the Operating Committee, to be the superior proposal.
51. On June 3, 2026, the Debtors entered into the DIP Financing Agreement with the DIP Lender, subject to Court approval. The Third Van Tonder Affidavit sets out in detail the Debtors' rationale for selecting the DIP Financing Agreement.

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

### **THE DIP FINANCING AGREEMENT AND DIP CHARGE**

52. A blackline between the DIP Financing Agreement and the Draft DIP Term Sheet is attached as **Appendix "G"**. A blackline between the DIP Financing Agreement and the Final DIP Proposal submitted by EDC is attached as **Appendix "H"**.
53. Subject to the terms and conditions of the DIP Financing Agreement, the DIP Lender has agreed to lend to BIM and BIM LP (the "**Borrowers**") a maximum principal amount of \$400 million in a Finished Product Funding Scenario (which amount will be increased to a maximum of \$475 million in a Finished Product Non-Funding Scenario), for payment of the following items (in each case in accordance with the Approved Cash Flow, excluding any Excess Exploration and Expansion Expenses, and in accordance with the orders of the Court in the CCAA Proceedings), among others:

- (a) the reasonable and documented professional fees and expenses of the Monitor and its counsel and counsel for the Borrowers and the Guarantors (together, the “**Obligors**”);
  - (b) interest, fees and other amounts owing to the DIP Lender under the DIP Financing Agreement;
  - (c) 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;
  - (d) cash collateral required to support letters of credit issued by financial institutions;
  - (e) the reasonable and documented out-of-pocket expenses of the DIP Lender under the DIP Financing Agreement; and
  - (f) the Borrowers’ funding requirements during the period of the Approved Cash Flow, including, without limitation, in respect of the pursuit of a 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.
54. No proceeds may be used for any other purpose except with the prior written approval of the DIP Lender, acting reasonably.
55. The DIP Facility will be made available by way of advances (each an “**Advance**”) made in two-week intervals (or as otherwise agreed by the Borrowers and the DIP Lender), as follows:

- (a) **Bridge Advances:** Advances under the DIP Facility in the aggregate principal amount of up to \$110,000,000 shall be made available to the Borrowers during the four-week period beginning on the date of the SARIO, 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 SARIO in accordance with an Advance Confirmation Certificate delivered by the Borrowers to the DIP Lender no later than the granting of the SARIO). If the DIP Facility is refinanced in full during the Bridge Period, fees accruing on or levied in relation to or in respect of the Bridge Advances and professional fees and expenses (other than reasonable, documented, out-of-pocket legal fees and expenses of the DIP Lender) shall not be payable by the Obligors, and no Obligors shall be liable for the payment of such amounts, nor shall such amounts form a part of the DIP Obligations during the Bridge Period. If the DIP Facility is not so refinanced, the fees that have accrued or would have otherwise been payable to the DIP Lender pursuant to the terms of the DIP Financing Agreement and any professional fees or expenses that would have otherwise been payable under the DIP Financing Agreement shall be deemed to have accrued and shall be payable and form part of the DIP Obligations. In either case, interest in connection with the Bridge Advances and reasonable, documented, out-of-pocket legal expenses of the DIP Lender will be payable during the Bridge Period. The DIP Financing Agreement provides that during the Bridge Period, no alternative proposals for interim financing shall be solicited or accepted by the Borrowers.

- (b) **Subsequent Advances:** The DIP Lender shall deposit, into the Borrowers' Account, each Advance, other than the Initial Advance, 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.
56. If the Finished Product Funder<sup>2</sup> 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.
57. In a Finished Product Non-Funding Scenario, the Borrowers may elect, no later than October 1, 2026 to (a) increase the Facility Amount by an amount up to \$75 million, or (b) 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 terms of the DIP Financing Agreement (the "**Finished Product Credit Support**") in an amount up to \$75 million less any increase to the Facility Amount in (a) above.
58. In the alternative, 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 Funding Scenario**"), 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 \$400 million.

---

<sup>2</sup> "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.

59. The DIP Financing Agreement requires that 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 be secured by the DIP Charge ranking subsequent to (i) the Administration Charge (not exceeding \$5 million), (ii) the D&O Charge (not exceeding \$20.4 million), and (iii) in respect of the Cash Collateral (as defined in the ARIO), unless otherwise consented to by the DIP Lender in writing.
60. Interest is payable on the principal, overdue interest and expenses at a rate equal to the Citibank prime rate from time to time plus 4.75% per annum.
61. The Borrowers shall also pay to the DIP Lender:
- (a) A fee in the amount of 2% of the Facility Amount, payable upon the first Advance under the DIP Facility after the Bridge Period;
  - (b) A fee for each day from the date of the SARIO to and including the Maturity Date equal to (i) 1.5% multiplied by (ii) the average daily amount of the Unused Commitment, accrued and calculated daily and payable in cash at the Maturity Date; and
  - (c) 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.
62. As described above, Advances will be made in accordance with the Approved Cash Flow, excluding any Excess Exploration and Expansion Expenses, being:

- (a) expenditures by the Obligors on exploration activities that either: (i) 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 (ii) exceeds \$10 million in aggregate from the date of the DIP Financing Agreement; and
  - (b) expenditures of the Obligors on expansion of operations in amounts that either: (i) 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 (ii) exceed \$20 million in aggregate from the date of the DIP Financing Agreement.
63. In addition to other positive and negative covenants required to be performed by the Obligors, the Obligors are also required to:
- (a) Take all commercially reasonable actions necessary or available to defend the SARIO, 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;
  - (b) Deliver a variance calculation (the “**Variance Report**”) to the Monitor and the DIP Lender and its legal counsel on the second to last Business Day of every fourth week 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;

- (c) Comply with the Milestones, which require, among other things, (i) a SISP Order to be granted on or prior to the date that is 60 days following the issuance of the SARIO, in form and substance satisfactory to the DIP Lender; and (ii) the Borrowers to work with the Monitor to commence the process of identifying a financial advisor appropriately experienced and qualified to conduct a sales and investment solicitation process (the “SISP”), forthwith after the date of the DIP Financing Agreement;
- (d) 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 use commercially reasonable efforts to cause issuers of letters of credit posted to secure the Borrowers’ obligations to renew such letters of credit;
- (e) 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 and all supply arrangements material to the Borrowers’ business in all material respects including, without limitation, fuel supply and product shipping arrangements, subject to any Court order issued in the CCAA Proceedings;
- (f) Comply with the terms of and keep in full force and effect the Benefits Agreement;
- (g) Not 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;
- (h) Not 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; and

- (i) 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.
64. The DIP Obligations are repayable by the Debtors in full on the Maturity Date, being the earliest to occur of:
- (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 SARIO, which may be extended at the election of the Borrowers for up to six months, in exchange for the Extension Fee, equal to 1% of the Facility Amount (as reduced, if applicable, in a Finished Product Funding Scenario) payable in cash at the Maturity Date, in the event that a Restructuring Transaction 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.

65. The DIP Facility is also repayable by the Borrowers, without fee or penalty, at any time prior to the Maturity Date. In the event the Borrowers hold any aggregate Unrestricted Cash<sup>3</sup> balance in excess of \$20 million determined as at the date of delivery of any Variance Report (“**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.
66. The DIP Financing Agreement also contains a number of Events of Default including, among others:
- (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;
  - (b) The termination of the CCAA Proceedings;
  - (c) Failure of an Obligor to pay any amounts arising under the DIP Financing Agreement when due and owing;
  - (d) Failure of an Obligor to perform or comply with any term or covenant of the DIP Financing Agreement, including the failure to achieve any Milestone;
  - (e) 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; and

---

<sup>3</sup> “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.

- (f) The existence of a cumulative negative variance in excess of the Permitted Variance (being not more than 10% relative to the aggregate net cash flow) for the period from the date of the SARIO 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).
67. 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 under the DIP Financing Agreement, or pursuant to the SARIO and applicable Law.

***The Monitor's Comments & Recommendation***

68. Section 11.2(4) of the CCAA, sets out certain factors that should be considered, among other things, in deciding whether to make an order granting an interim financing charge. These factors, and the Monitor's comments thereon, are addressed in turn below.

*The period during which Debtors are expected to be subject to the CCAA Proceedings*

69. Should the SARIO be granted, the Debtors and the Monitor intend to develop and seek approval of the SISP as soon as possible and within 60 days of the issuance of the SARIO. It is intended that the closing of a transaction or transactions is to occur within 18 months of the issuance of the Initial Order.
70. Based on the Debtors' cash flow forecasts (not including the Excess Exploration and Expansion Expenses) and the estimated timing for the SISP as set out above, it is believed that the DIP Financing Agreement provides sufficient liquidity to fund the Debtors' operations and the costs of the CCAA Proceedings until the completion of the SISP.

*How the Debtors' business and affairs are to be managed during the CCAA Proceedings*

71. The Debtors have certain experienced management personnel who are important to the business. The Monitor understands that these management personnel intend to remain in place to manage the business and affairs of the Debtors during the CCAA Proceedings. Management reports to the Operating Committee who has ultimate decision-making authority for the Debtors.

72. As set out above, irrespective of which Final DIP Proposal was chosen by the Debtors and is ultimately approved by the Court, based on stakeholder feedback and the Monitor's observations of the CCAA Proceedings to date (including through its participation in the meetings of the Operating Committee, which includes representatives from the Debtors' two shareholder groups), the Monitor believes that the Debtors would benefit from the appointment of an experienced CRO. The Monitor will work with stakeholders in identifying an appropriate CRO and will make a recommendation to the Court in that regard.

*Whether the Debtors' Management has the confidence of its major creditors*

73. The Monitor notes that the Debtors' business is complex and relies on a number of complicated contractual and strategic relationships with various stakeholder groups. The Debtors' Management play a critical role and have extensive experience in managing these relationships and the Monitor is of the view that they are therefore important to the go-forward business of the Debtors.

*Whether the DIP Financing Agreement would enhance the prospects of a viable compromise or arrangement being made in respect of the Debtors*

74. While section 11.2(4) of the CCAA refers to a "compromise or arrangement", given the variety of ways in which successful going-concern outcomes are now structured in proceedings under the CCAA, including asset sales, and "reverse vesting order" transactions, the Monitor is respectfully of the view that it is appropriate for the Court to take a broader view of this factor and expand it to consider these other approaches.

75. Without the DIP Facility, the Debtors would, in the very near future, exhaust their available liquidity resources and be unable to pay its obligations as they become due, in particular during the crucial upcoming Sealift Season, continue operations, maintain their assets, undertake the SISP or complete any transaction. The Monitor is of the view that approval of the DIP Financing Agreement will enhance the prospects of the business and operations of the Debtors being preserved and a successful going-concern outcome being achieved.

*The nature and value of the Debtors' property*

76. The Debtors' assets are described in the First Van Tonder Affidavit and consist primarily of the Mine operation. The market value of the Debtors' property will be finally determined through the SISP.
77. Nothing has come to the attention of the Monitor in respect of the nature of the Debtors' property that, in the Monitor's view, requires particular consideration in connection with the DIP Charge.

*Whether any creditor would be materially prejudiced by the DIP Charge*

78. The proposed DIP Facility would provide the Debtors the opportunity to undertake the SISP and to complete a transaction.
79. The DIP Financing Agreement is conditional on the DIP Charge being granted. The Monitor notes that secured creditors of the Debtors would be primed by any DIP Charge granted. The Monitor further notes that this would be true regardless of which of the three Final DIP Proposals was chosen by the Debtors.

80. The Monitor recognizes that the proposed DIP Charge would prime creditors holding a significant amount of the Debtors' secured debt. However, the Monitor is of the view that any prejudice is outweighed by the Debtors' desperate need for stability and funding to continue their ordinary course operations, procure supplies necessary to operate the mine that need to be received during the Sealift Season and to undertake a SISP to maximize value for the benefit of all stakeholders. Committed funding, which can only be obtained through the super priority DIP Charge, is of vital importance to enable the Debtors' workforce and suppliers to have confidence in the Debtors' ability to achieve their restructuring goals.
81. In addition, the amount of the Bridge Advances is based on the June Forecast with a view to ensuring that the Debtors would have sufficient funds to operate until a final determination is made by the Court on whether the DIP Facility is successfully challenged. The Bridge Advances have been structured in a manner such that only interest and out-of-pocket legal expenses would be paid should the DIP Facility be refinanced. This structure is intended to limit prejudice to any party seeking to challenge the approval of the DIP Facility in respect of any arguments it may wish to make as part of litigation before the Court.
82. In the near term, it is the Monitor's view that approval of the DIP Charge, in the context of the Bridge Period, results in as little prejudice as possible to creditors in a scenario where the DIP Facility may be refinanced as a result of potential litigation, but in the circumstances where the Debtors need immediate funding to continue operations.

*Other potential considerations – Terms and Pricing*

83. The Monitor has reviewed data on the terms of interim financings approved in proceedings under the CCAA based on information publicly available. A summary of such data in respect of interim financings approved from January 1, 2020, to May 1, 2026, is attached hereto as **Appendix "I"**.

84. Based on the information available, the Monitor has compared the cost of the DIP Facility to that of other approved interim financings of a similar size. As illustrated in the chart below, the cost of the DIP Facility appears to be within the range of costs, in terms of annualized interest and fees, for interim financings of similar size approved in other CCAA proceedings:

**DIP Facility Summary**

*DIP Financing facilities greater than USD \$35 million*

	<b>DIP Size (\$ USD million)</b>	<b>Interest (%)</b>	<b>Fee(s) as % of DIP Facility</b>
Average	99.3	9.4%	2.3%
Minimum	39.9	4.5%	0.5%
Maximum	445.7	13.0%	5.0%

85. Based on the foregoing, the Monitor is of the view that the terms of the DIP Financing Agreement are within market parameters in respect of interest and fees.

*The Monitor's Recommendation*

86. As noted earlier in this Second Report, three Final DIP Proposals resulted from the DIP Solicitation Process. The proposals received from EDC and the Ad Hoc DIP Group were viable proposals. The proposal received from IRH was not.
87. The Monitor's view is as follows:
- (a) The interest rates and fees contained in the two viable proposals were generally competitive;
  - (b) The EDC Final DIP Proposal provided additional funding of up to \$75 million in the event of a Finished Product Non-Funding Scenario, providing additional operational certainty for the Debtors;
  - (c) Although both viable proposals contained restrictive covenants, the EDC Final DIP Proposal provided additional flexibility for the Debtors in the operation of their business;

- (d) EDC is an existing secured creditor of the Debtors and is familiar with their business and operations;
- (e) The Monitor recognizes that the proposed DIP Charge would prime creditors holding a significant amount of the Debtors' secured debt. However, as set out above, the Monitor is of the view that any prejudice is outweighed by the benefits of the DIP Facility;
- (f) Further, in the near term, any prejudice caused to other secured creditors by being primed by the DIP Facility and DIP Charge is ameliorated by the concept of the Bridge Period and the "without prejudice" nature of any Court approval of the DIP Facility; and
- (g) The Debtors require the stability provided by the DIP Facility and the ability to draw on the Bridge Advances while litigation is pursued with respect to the DIP Facility.

88. Based on the foregoing, the Monitor respectfully recommends that the Court grant the Debtors' request for approval of the DIP Financing Agreement and the granting of the DIP Charge, recognizing that a process will be put in place to litigate issues relating to the DIP Facility.

#### **PAYMENTS TO CRITICAL SUPPLIERS**

89. In the SARIO, the Applicants are seeking the authority (but not the requirement) to pay certain pre-filing amounts with the consent of the Monitor.

90. The Monitor is of the view that such relief is reasonable and appropriate in the circumstances to ensure the continued operation of the Debtors' business, to avoid disruption with critical suppliers and contractors, and to maximize recoveries during the CCAA Proceedings. There are a number of time-sensitive payments for goods that need to be made in the lead up to the upcoming Sealift Season that are necessary for the Debtors to continue going concern operations. If these goods are not procured in a timely manner, including in certain circumstances through the payment of certain pre-filing arrears, the opportunity to deliver these goods during the Sealift Season will be lost. The SARIO provides that pre-filing amounts will only be paid to these parties with the consent of the Monitor.

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

91. The Stay Period currently expires on June 5, 2026. Additional time is required for the Debtors to proceed with finalizing a viable plan to address their financial difficulties, litigate issues related to the DIP Facility and commence a SISF. An extension of the Stay Period is necessary to provide the stability required during that time. Accordingly, the Debtors now seeks an extension of the Stay Period to August 28, 2026.
92. The June Forecast attached as Appendix C demonstrates that the Debtors should have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period, assuming that DIP financing is available.
93. Based on the information currently available, the Monitor believes that circumstances exist that make the proposed extension of the Stay Period appropriate and that creditors of the Debtors would not be materially prejudiced by the proposed extension of the Stay Period.
94. The Monitor also believes that the Debtors have acted, and are acting, in good faith and with due diligence.

95. The Monitor therefore respectfully recommends that this Honourable Court grant the Debtors' request for an extension of the Stay Period to August 28, 2026.

**REQUEST FOR A SEALING ORDER**

96. The Monitor recommends that the Confidential Exhibits to the Third Van Tonder Affidavit be filed with the Court on a confidential basis and remain sealed until a further order of the Court.
97. The Confidential Exhibits contain commercially sensitive and material non-public information, including (a) information regarding the Debtors' current financial position, projections, and business operations; and (b) confidential terms offered by prospective lenders in the context of a competitive DIP process. The Debtors have advised that public disclosure of this information would cause serious harm to the Debtors and their stakeholders, would undermine the integrity of the DIP Solicitation Process and could undermine the SISP.
98. Accordingly, the Monitor believes the proposed sealing of the Confidential Exhibits is appropriate in the circumstances.

The Monitor respectfully submits to the Court this Second Report.

Dated this 4<sup>th</sup> day of June, 2026.

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



Jeffrey Rosenberg  
Senior Managing Director



Greg Watson  
Senior Managing Director

---

# Appendix A

---

Pre-Filing Report of the Monitor (without appendices)

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

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

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

**May 14, 2026**

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

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

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

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

**INTRODUCTION**

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

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

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

#### **TERMS OF REFERENCE**

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

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

## **EXECUTIVE SUMMARY**

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

## **FTI AND ITS AFFILIATES**

### **QUALIFICATIONS TO ACT**

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

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

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

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

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

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

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

## THE MAY 14 FORECAST

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

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

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

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

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

## **THE STAY OF PROCEEDINGS**

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

## **THE PROPOSED ADMINISTRATION CHARGE**

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

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

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

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

---

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

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

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

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

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

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



Jeffrey Rosenberg  
Senior Managing Director



Nate Fennema  
Managing Director

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

Court File No. CL-26-0000219-0000

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

---

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

---

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

---

**OSLER, HOSKIN & HARCOURT LLP**

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

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

Tel: 416.862.4908

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

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

Tel: 416.862.5997

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

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

---

## **Appendix B**

---

First Report of the Monitor (without appendices)

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

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

**FIRST REPORT OF THE MONITOR**

**May 22, 2026**

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

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

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

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

**INTRODUCTION**

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

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

### **TERMS OF REFERENCE**

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

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

## **EXECUTIVE SUMMARY**

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

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

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

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

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

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

## THE MAY 22 FORECAST

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

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

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

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

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

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

### **DIP SOLICITATION PROCESS**

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

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

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

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

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

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

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

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

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

#### **ADDITIONAL RESTRUCTURING AUTHORIZATIONS**

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

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

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

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

The Monitor respectfully submits to the Court this First Report.

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

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



Jeffrey Rosenberg  
Senior Managing Director



Greg Watson  
Senior Managing Director

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

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

Court File No. CL-26-00000219-0000

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

---

**FIRST REPORT OF THE MONITOR**

---

**OSLER, HOSKIN & HARCOURT LLP**

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

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

Tel: 416.862.4908

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

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

Tel: 416.862.4923

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

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

Tel: 416.862.5997

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

Lawyers for the Monitor, FTI Consulting Canada Inc.

---

# Appendix C

---

June Forecast

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

June 4, 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.

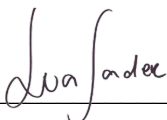
In connection with the application by the Applicants for the continuation of proceedings under the *Companies' Creditors Arrangement Act*, the management of the Applicants has prepared the attached 13-week projected cash flow statement for the period May 30, 2026 to August 28, 2026 (the "**June Forecast**") and the list of assumptions on which the June Forecast is based. The purpose of the June Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

The Applicants confirm that the hypothetical assumptions on which the June 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 June 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 June Forecast may not be appropriate for other purposes.

Yours truly,

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

Name: Celeste Van Tonder  
Title: CFO

**Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (collectively, the “Company”)**

**Illustrative Consolidated Cash Flow Projections**

<i>(\$USD in millions)</i>															<i>Forecast</i>
<i>Forecast Week Ending</i>	<i>Note</i>	<i>Forecast Jun 5</i>	<i>Forecast Jun 12</i>	<i>Forecast Jun 19</i>	<i>Forecast Jun 26</i>	<i>Forecast Jul 3</i>	<i>Forecast Jul 10</i>	<i>Forecast Jul 17</i>	<i>Forecast Jul 24</i>	<i>Forecast Jul 31</i>	<i>Forecast Aug 7</i>	<i>Forecast Aug 14</i>	<i>Forecast Aug 21</i>	<i>Forecast Aug 28</i>	<i>Forecast Total</i>
<i>Forecast Week</i>	<i>[1]</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	
<b>Receipts</b>															
Total Receipts		-	13.7	-	6.9	-	12.8	-	5.4	-	3.5	0.7	4.5	26.4	73.9
Total Commercial Payments		-	-	-	-	-	-	-	(1.9)	-	(3.2)	(3.2)	(3.2)	(3.2)	(14.5)
<b>Net Commercial Receipts</b>	<b>[2]</b>	<b>-</b>	<b>13.7</b>	<b>-</b>	<b>6.9</b>	<b>-</b>	<b>12.8</b>	<b>-</b>	<b>3.6</b>	<b>-</b>	<b>0.4</b>	<b>(2.5)</b>	<b>1.3</b>	<b>23.3</b>	<b>59.4</b>
<b>Operating Disbursements</b>															
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]	(1.9)	(31.3)	(4.5)	(4.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.7)	(2.7)	(2.7)	(2.7)	(65.6)
Sealift Purchases	[5]	(1.7)	(3.0)	(9.4)	(1.2)	(24.7)	(2.7)	(25.6)	(2.7)	(5.3)	(1.3)	(1.3)	(23.0)	(1.3)	(103.4)
Equipment Leases		(0.0)	(0.2)	-	-	-	(0.6)	-	-	-	(0.2)	-	-	-	(1.0)
Sustaining Capital Costs	[6]	(1.5)	(3.2)	(4.7)	(4.7)	-	(0.9)	(0.9)	(0.9)	(0.9)	(0.6)	(0.6)	(0.6)	(0.6)	(20.0)
<b>Total Operating &amp; Sustaining Capital Costs</b>		<b>(5.1)</b>	<b>(43.1)</b>	<b>(18.6)</b>	<b>(15.8)</b>	<b>(27.2)</b>	<b>(10.0)</b>	<b>(31.3)</b>	<b>(9.8)</b>	<b>(11.6)</b>	<b>(8.6)</b>	<b>(6.9)</b>	<b>(30.1)</b>	<b>(6.9)</b>	<b>(225.1)</b>
Overhead Costs	[7]	-	(1.9)	(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]	-	(1.4)	(0.2)	(0.6)	(0.7)	(0.3)	(0.3)	(0.9)	(0.6)	(0.3)	(0.2)	(0.4)	(0.4)	(6.4)
Steensby Project Costs	[9]	(0.3)	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(9.1)	(13.1)
Other Costs	[10]	-	-	-	-	(0.3)	(8.5)	-	-	(1.9)	(1.9)	-	-	(0.5)	(13.1)
Professional Fees (CCAA)	[11]	-	(4.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(9.5)
<b>Net Cash Flow</b>		<b>(5.4)</b>	<b>(37.2)</b>	<b>(20.5)</b>	<b>(11.2)</b>	<b>(29.4)</b>	<b>(7.3)</b>	<b>(32.9)</b>	<b>(8.3)</b>	<b>(16.3)</b>	<b>(12.1)</b>	<b>(11.0)</b>	<b>(30.6)</b>	<b>5.4</b>	<b>(216.7)</b>
<b>Cash</b>															
Beginning Balance (excl. Restricted Cash)		21.2	15.8	40.5	20.0	49.4	20.0	52.9	20.0	36.3	20.0	31.0	20.0	14.6	21.2
Net Cash Flow		(5.4)	(37.2)	(20.5)	(11.2)	(29.4)	(7.3)	(32.9)	(8.3)	(16.3)	(12.1)	(11.0)	(30.6)	5.4	(216.7)
Debt Advances (Repayments)		-	61.9	-	40.6	-	40.2	-	24.6	-	23.1	-	25.1	-	215.5
<b>Ending Balance</b>		<b>15.8</b>	<b>40.5</b>	<b>20.0</b>	<b>49.4</b>	<b>20.0</b>	<b>52.9</b>	<b>20.0</b>	<b>36.3</b>	<b>20.0</b>	<b>31.0</b>	<b>20.0</b>	<b>14.6</b>	<b>20.0</b>	<b>20.0</b>
<b>DIP Financing Balance</b>															
Beginning Balance		-	-	61.9	61.9	102.5	102.5	143.0	143.4	168.3	168.7	192.1	192.4	217.8	-
Debt Advances (Repayments)		-	61.9	-	40.6	-	40.2	-	24.6	-	23.1	-	25.1	-	215.5
Add: Accrued Fees		-	-	-	-	-	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	2.5
<b>Ending Balance</b>		<b>-</b>	<b>61.9</b>	<b>61.9</b>	<b>102.5</b>	<b>102.5</b>	<b>143.0</b>	<b>143.4</b>	<b>168.3</b>	<b>168.7</b>	<b>192.1</b>	<b>192.4</b>	<b>217.8</b>	<b>218.0</b>	<b>218.0</b>

**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 required for location identification, core drilling and sampling, and quantity and quality assessments of deposits necessary to preserve the assets and Authorizations of the Company.
- [9] Steensby Project Costs:** Costs to complete work in progress on the Steensby project, as well as costs to issue an LC required for permitting purposes, deemed necessary to preserve the assets and Authorizations of the Company, including preserving existing assets and Authorizations that are strictly necessary for Steensby
- [10] Other Costs:** DIP Facility interest and financing costs, and costs to support operating LC issuance.
- [11] Professional Fees (CCAA):** Professional fees for the Monitor, its counsel and the Company's counsel to administer the CCAA Proceedings.

---

# Appendix D

---

## DIP Financing Agreement

## 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 Obligor 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 Obligor 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 SISF (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 SISF, 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 Obligor 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 Obligor 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 Obligor 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 Obligor 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](mailto: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](mailto:nrenner@dwpv.com) and [rnicholls@dwpv.com](mailto: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: [mduoye@edc.ca](mailto:mduoye@edc.ca); [aglen@edc.ca](mailto:aglen@edc.ca)

Attention: Loans Services  
Email: [LS-directlending@edc.ca](mailto:LS-directlending@edc.ca)

Attention: Covenants Officer  
Email: [covenantsofficer@edc.ca](mailto: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](mailto: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](mailto: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](mailto:mwasserman@osler.com) and [mdelellis@osler.com](mailto: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, (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 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 caused 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:

---

# Appendix E

---

DIP Solicitation Letter

**Corporate Finance**

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

T: 416.649.8073  
F: 416.649.8101

[fticonsulting.com](http://fticonsulting.com)

May [●], 2026

[●]

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,



Jeffrey Rosenberg, Senior Managing Director

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

---

# Appendix F

---

Draft DIP Term Sheet

## 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 Obligor;
- (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 SISF 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](mailto:nrenner@dwpv.com) and [rnicholls@dwpv.com](mailto: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](mailto: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](mailto:mwasserman@osler.com) and [mdelellis@osler.com](mailto: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;
- "CAA"** has the meaning given to that term in the recitals;
- "CAA 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 14;

**"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 caused 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**

---

## **Appendix G**

---

Blackline of DIP Financing Agreement to Draft DIP Term Sheet

## 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 ~~order to assist connection~~ with the Borrowers' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA**") ~~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 "**CCA 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:** ~~Means~~ 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 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. 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.
- ~~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. The DIP Lender shall deposit, into the Borrowers' Account, each Advance, other than the Initial Advance (defined below) on within one (1) Business Day following the date of the Initial Order, provided the Initial on which the Advance Conditions are satisfied ~~as of such date.~~~~
- ~~and the Borrowers deliver to Advances under the DIP Facility, other than the Initial Advance (each, an "Advance") require a written notice to be delivered. Lender an Advance confirmation certificate in form reasonably satisfactory 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. 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 Obligor 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 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.~~ 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, ~~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~~ (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~~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 ~~the~~ principal, overdue interest and expenses shall bear interest at ~~a~~ 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~~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~~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:** ~~The Borrower~~ 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 for all, 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** ~~Attached hereto as Schedule A is a detailed cash flow projection (the~~

**Flow:**

~~"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 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 ~~(acting reasonably),~~ 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)      ~~(a) The~~ 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) granting the Obligors protection under the CCAA;~~
  - ~~(ii) appointing the Monitor;~~
  - (i) ~~(iii)~~ authorizing and approving the Initial Advance and approving this Agreement for the purpose of making the Initial Advance; and;
  - (ii) ~~(iv)~~ 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) ~~and no notices of the foregoing shall have been filed,~~ unless otherwise agreed by the DIP Lender, in its

~~sole~~reasonable 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~~ Non 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 Loan Facility Amount ~~(other than the Initial Advance)~~:**

The DIP Lender's agreement to make any ~~additional~~ Advances available from the Loan 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 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;—~~

(a) and the operation and effect of such order 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) and no notices of the foregoing shall have been filed, unless otherwise agreed by the DIP Lender, in its ~~sole~~reasonable 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;~~

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

(c) (d) All 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) ~~(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;
- (e) ~~(f)~~ No Default or Event of Default shall have occurred and be continuing or will occur as a result of the requested Advance; and
- (f) ~~(g)~~ ~~The Obligors shall be in compliance in all material respects with all covenants and obligations contained in this Agreement.~~ 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\$■, to be granted by the Court and 5,000,000, (ii) the directors and officers charge not exceeding US\$■, to be granted by the Court 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 ~~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~~ 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. ~~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)      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;  
~~(a) conversion of the CCAA Proceeding into a proceeding under the Bankruptcy and Insolvency Act (Canada);~~
- (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;  
~~(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;~~
- (c)      ~~the date which is ■ months after the~~ The closing of a Restructuring Transaction, or combination of Restructuring Transactions that generated sufficient proceeds to repay the DIP Obligations; 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. ~~21.~~ **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. ~~22.~~ **Indemnity:**

~~The~~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. 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 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~~ or instruments 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) ~~(b)~~ 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) ~~(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) ~~(d)~~ Each Obligor does not have any defined benefit pension plans or similar plans and is in material compliance with all applicable ~~Law~~Laws respecting its employees' employment and all collective bargaining agreements to which it is a party or otherwise bound;
- (h) ~~(e) Except as otherwise disclosed to the DIP Lender in writing prior to the date hereof, each~~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) ~~(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~~such Obligor have been performed on a timely basis;
- (k) ~~(g) Each~~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; ~~and, 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) ~~(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.

25. 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) 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) ~~(a)~~ Submit to the Court the Initial Order, 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 (acting reasonably) 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 (acting reasonably) to the extent relating to the DIP Facility or any other matter that affects the DIP Lender in any material respect;
- (d) ~~(b)~~ Comply with the provisions of Court orders made in the CCAA Proceeding, including the Initial Order and 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) ~~(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;~~
- (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) ~~(e)~~ Preserve, renew, maintain and keep in full force and effect its corporate existence and ~~its~~the material Authorizations required in respect of the Business or any of the Collateral;
  - (l) ~~(f) Use all reasonable efforts to keep~~ Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Obligors;
  - (m) ~~(g) Conduct the Business and preserve, protect and maintain the Collateral~~ all business activities in the ordinary course of ~~Business~~business, consistent with past practice;
- ~~(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;~~
- (n) ~~(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~~and avoid any Encumbrance thereon ~~and to carry on the business of each Obligor;~~
  - (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) ~~(j)~~ Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;
- (v) ~~(k)~~ Comply in all material respects with all applicable Laws and the terms and conditions of all Authorizations; and
- (w) ~~(l)~~ Pay when due all principal, interest, fees and other amounts payable by the Obligor under this Agreement to the DIP Lender.

26. 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, 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 ~~contemplated by~~ provided for in the Approved Cash ~~Flow~~ Flows;
- (b) Issue any debt or equity instruments or securities, or other rights or entitlements to the foregoing;
- (c) ~~(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 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) ~~(e)~~ Except for the Priority Charges ~~and, 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) ~~(d)~~ 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) ~~(e)~~ Make any investments ~~in or, 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) ~~(f)~~ Change its jurisdiction of incorporation or registered office;
- (i) ~~(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;
- (j) ~~(h)~~ 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) ~~(i)~~ ~~Sell, assign~~ Transfer, lease, ~~convey~~ or otherwise dispose of ~~any of the Collateral except for sales or disposals~~ all or any part of its property, assets or undertaking, other than (i) the sale or disposition of inventory in the ordinary course of ~~the Business, or except as may be approved by the~~ 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) ~~(j)~~ 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) ~~(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;
- (n) ~~(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 that does not provide for the full repayment of the obligations under the DIP Facility upon closing;~~
- (o) ~~(m)~~ Amend or seek to amend the ~~Initial Order, or the Second Amended and Restated Initial Order, except to amend and restate the Initial Order as may be permitted by this Agreement;~~
- (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. 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.~~ 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. ~~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 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 ~~adversely affects or would reasonably be expected to adversely affect the interest of~~ is not in form and substance acceptable to 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) 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) ~~(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 2728(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);~~

- (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) ~~(e)~~ 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) ~~(d)~~ Failure of an Obligor to pay any amounts arising hereunder when due and owing hereunder;
- (i) ~~(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;
- (j) ~~(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;~~
- (k) ~~(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 any Milestone;
- ~~(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;~~
- (l) ~~(j)~~ 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; ~~or~~
- (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) ~~(k)~~ 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 if such plan and that 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 upon implementation.~~

29. 28- Remedies:

Upon the occurrence and continuance of an Event of Default which ~~has not been cured by~~ is continuing on the date which is five (5) Business Days after the Borrowers ~~within 30 days of receiving~~ have received written notice of such Event of Default ~~by~~ 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) ~~(d)~~ exercise the powers and rights of a secured party; and
- (f) ~~(e)~~ 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. 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.

31. ~~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.

32. ~~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.

33. ~~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.

34. ~~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. 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 ~~or waived~~ except by an instrument in writing signed by each of the Obligors and the DIP Lender.

35. ~~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.

36. ~~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.

37. ~~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.

38. ~~37.~~ **Assignment:**

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

39. ~~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]**[mark.obrien@baffinland.com](mailto: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](mailto:nrenner@dwpv.com) and [rnicholls@dwpv.com](mailto: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: [mduoyle@edc.ca](mailto:mduoyle@edc.ca); [aglen@edc.ca](mailto:aglen@edc.ca)

Attention: ■ [Loans Services](#)

Email: ■ [LS-directlending@edc.ca](mailto:LS-directlending@edc.ca)

[Attention: Covenants Officer](#)

[Email: covenantsofficer@edc.ca](mailto: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](mailto: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](mailto: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](mailto:mwasserman@osler.com) and [mdelellis@osler.com](mailto: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. ~~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.

42. ~~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~~[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.

~~**"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;

**"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 ~~the Province of 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 ~~27~~[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, ~~(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~~23;

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

~~"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 ~~44~~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;~~

"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 ~~20~~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;~~

~~"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]~~ [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 ~~[Baffin-LP]~~ [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 ~~29~~[30](#).

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused 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

~~DIP LENDER:~~



~~by~~  
er:

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**  
**APPROVED CASH FLOW**

---

## Appendix H

---

Blackline of DIP Financing Agreement to Final DIP Proposal from EDC

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

**and Warranties:**

- (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 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. ~~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;

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

**"CAA 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)~~ 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 ~~42~~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 ~~24~~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 caused 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

[Redacted] Name:  
Title:

by

[Redacted] Name:  
Title:

**GUARANTORS:**

**NUNAVUT IRON ORE, INC.**

by

[Redacted] Name:  
Title:

by

[Redacted] Name:  
Title:

**12334992 CANADA INC.**

by

[Redacted] Name:  
Title:

by

[Redacted] Name:  
Title:

| *[Different first page link-to-previous setting changed from on in original to off in modified.]*

| **Schedule "A"**

| **Disclosures**

| *[Different first page link-to-previous setting changed from on in original to off in modified.]*

---

# Appendix I

---

## Summary of Approved Interim Financings

**Comparable DIP Facility Analysis**

DIP Financing Facilities greater than USD \$35 million

Company	Filing Date	DIP Amount (\$M USD)	Interest Rate	Fee(s)
Canacol Energy Ltd.	17-Nov-25	\$ 48.6	13% Tranche A 11% Subsequent Advance	Commitment fee of 5%
Mizrahi Development Group (The One) Inc.	22-Apr-25	\$ 445.7	4.50%	
Teal Jones Group	25-Apr-24	\$ 84.4	9.45%	US \$300,000
Tacora Resources Inc.	10-Oct-23	\$ 54.3	10.00%	Exit fee of \$2,250,000 (3%)
DCL Corporation	20-Dec-22	\$ 39.9	SOFR Loan obligations and Letters of Credit: Adjusted Term SOFR or Canadian BA Rate, plus 4.00% Base Rate obligations and Swingline Loans: US Base Rate or Canadian Base Rate, plus 3.00% Additional default interest of 2.0%	Unused line fee of 0.50%
Just Energy Group Inc. (TSX:JE)	9-Mar-21	\$ 90.6	13.00%	Commitment fee of \$1.25 million and origination fee of \$1.25 million.
Reitmans (Canada) Limited	19-May-20	\$ 43.5	Prime + 5%	The interim financing provides for: 1) a standby charge of 0.6% on amounts committed and not drawn; 2) a commitment fee of \$360k payable on court approval of the interim facility; and 3) reimbursement of the reasonable out-of-pocket expenses.
Aldo Group	7-May-20	\$ 43.5	LIBOR + 5.5% for the first 9 months and LIBOR + 6.5% thereafter. An additional 2% applies where there is a default.	Standby charge of 1.25% on amounts committed and not drawn and commitment fee of \$600,000
Dominion Diamond Mines	23-Apr-20	\$ 43.5	5.25%	
<b>Average</b>		<b>\$ 99.3</b>	<b>9.4%</b>	<b>2.3%</b>
<b>Min</b>		<b>\$ 39.9</b>	<b>4.5%</b>	<b>0.5%</b>
<b>Max</b>		<b>\$ 445.7</b>	<b>13.0%</b>	<b>5.0%</b>

Source: Insolvency Insider: Interest Rate data sourced from respective bank records

1. US dollar denominated loans are translated at 1.38 USD/CAD. Certain DIP Loans are presented as the maximum draw reported in the latest court materials.
2. Excludes amounts for "reasonable fees and expenses of the DIP Lender" if these are not specifically defined.
3. Interest rates that are determined by a benchmark rate (i.e. prime rate, SOFR) were calculated as of the respective filing date.

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

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

Court File No. CL-26-00000219-0000

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

---

**SECOND REPORT OF THE MONITOR**

---

**OSLER, HOSKIN & HARCOURT LLP**

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

**Marc Wasserman** (LSO# 44066M)  
Tel: 416.862.4908  
Email: [mwasserman@osler.com](mailto:mwasserman@osler.com)

**Jeremy Dacks** (LSO# 41851R)  
Tel: 416.862.4923  
Email: [jdacks@osler.com](mailto:jdacks@osler.com)

**Michael De Lellis** (LSO# 48038U)  
Tel: 416.862.5997  
Email: [mdelellis@osler.com](mailto:mdelellis@osler.com)

Lawyers for the Monitor, FTI Consulting Canada Inc.