Court File No. CL-26-00000219-0000

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

SECOND SUPPLEMENT TO THE SECOND REPORT OF THE MONITOR

June 29, 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 SUPPLEMENT TO THE SECOND 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**") to May 25, 2026 in favour of the Applicants and Baffinland Iron Mines LP (together with the Applicants, the "**Debtors**") and appointing FTI Consulting Canada Inc. 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 under the CCAA granting, *inter alia*, an extension to the Stay of Proceedings in favour of the Debtors to June 5, 2026, an increase in the Administration Charge, and an increase in the D&O Charge.

3. On June 4, 2026, the Monitor served and filed its second report (the "**Second Report**") for the hearing originally scheduled for June 5, 2026, at which the Applicants intended to seek approval of the EDC DIP Financing Agreement (the "**June 5 DIP Approval and Related Relief Hearing**").

4. On June 4, 2026, Oaktree Capital Management, LP and Hartree Partners, LP (the "**First Secured Lenders**") and the Ad Hoc Committee of holders of the 8.750% senior secured notes due 2026 (the "**Ad Hoc Noteholders**" and, together with the First Secured Lenders, the "**Senior Secured Lenders**") brought a joint cross-motion (the "**Cross-Motion**"), to be heard at the June 5 DIP Approval and Related Relief Hearing, pursuant to which the Senior Secured Lenders sought an order, among other things, (a) adjourning the June 5 DIP Approval and Related Relief Hearing and setting a litigation schedule, and (b) authorizing the Debtors to enter into the Final DIP Proposal of the Senior Secured Lenders.

5. On June 5, 2026, the June 5 DIP Approval and Related Relief Hearing and the Cross-Motion were adjourned to a hearing to be held on June 10, 2026 (the "**June 10 Hearing**"), subject to the Agreed Terms of Adjournment agreed to amongst the Debtors, the Senior Secured Lenders, the DIP Lender (defined below), and the Energy and Minerals Group. The Court on that date granted an order (a) extending the Stay of Proceedings to June 10, 2026, and (b) granting the Sealift Supplier Charge.

6. On June 9, 2026, the Monitor served and filed a supplement to the Second Report (the "**First Supplemental Report**") for the June 10 Hearing.

7. At the June 10 Hearing, the Applicants sought and obtained a Second Amended and Restated Initial Order (the "**SARIO**") under the CCAA, *inter alia*, (a) extending the Stay of Proceedings in favour of the Debtors to August 28, 2026, (b) authorizing the Debtors to pay pre-filing amounts to certain critical suppliers with the consent of the Monitor; (c) approving the DIP facility (the "**EDC DIP Facility**") provided by the Government of Canada, as represented by Export Development Canada (the "**DIP Lender**") pursuant to a DIP financing agreement (the "**EDC DIP Financing Agreement**") for the period (the "**Bridge Period**") from the date of the SARIO until June 30, 2026, when the parties were to return to Court for a *de novo* hearing regarding whether the DIP proposal by the DIP Lender or the DIP proposal by the Senior Secured Lenders should be approved (the "**June 30 Hearing**").

8. Justice Steele's endorsement granted in conjunction with the SARIO (the "**June 11 Endorsement**") also provided certain protections to the Senior Secured Lenders during the Bridge Period.

9. A copy of the SARIO and the June 11 Endorsement are attached hereto as **Appendices "A"** and **"B"**, respectively.

10. Following the granting of the SARIO at the June 10 Hearing, in accordance with an agreed-upon litigation timetable (the "**Agreed Litigation Timetable**"), the Senior Secured Lenders, the DIP Lender and the Debtors (together, the "**Litigation Parties**"), along with the Monitor, engaged in steps to progress matters leading up to the June 30 Hearing, including the exchange of affidavits and commencement of cross-examinations.

11. On June 23, 2026 and June 24, 2026, counsel to the Litigation Parties, the Monitor and counsel to the Monitor attended two case management conferences before Justice Steele (the "**June 23 CMC**" and "**June 24 CMC**", respectively), pursuant to which the remaining steps in the Agreed Litigation Timetable (including, among others, the completion of cross-examinations, the delivery of a Monitor's report, and the exchange of facta) were paused, effective immediately, so that the Litigation Parties could consider the Preliminary DIP Settlement Agreement (defined below). Justice Steele's endorsements in respect of the June 23 CMC and the June 24 CMC are attached hereto as **Appendices "C"** and **"D"**, respectively.

12. The endorsement in respect of the June 24 CMC also indicated that, to the extent there are any unresolved issues between the parties with respect to the DIP Settlement Agreement, they would be addressed at the June 30 Hearing. The Litigation Parties were directed to file any materials by June 27, 2026, and the Monitor was directed to file a report by June 29, 2026.

13. This second supplement to the Second Report (the "**Second Supplemental Report**") has been prepared to provide the Monitor's observations and recommendations with respect to the DIP Settlement Agreement that has been agreed to between the Litigation Parties.

14. This Second Supplemental Report is supplementary to and should be read in conjunction with the Second Report and the First Supplemental Report. This Second Supplemental Report is subject to the same terms of reference set out in the Second Report in all respects. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not defined herein have the meanings given to them in the Second Report, the First Supplemental Report, or the DIP Settlement Agreement, as applicable.

THE MONITOR'S OBSERVATIONS AND RECOMMENDATIONS ON THE EDC DIP FACILITY AND THE DIP SETTLEMENT AGREEMENT

15. On June 22, 2026, the Senior Secured Lenders and the DIP Lender reached a settlement agreement, pursuant to which the Senior Secured Lenders agreed to support the approval of the EDC DIP Facility at the June 30 Hearing subject to certain terms (the "**Preliminary DIP Settlement Agreement**").

16. On June 22, 2026, the Preliminary DIP Settlement Agreement was shared with the Debtors and the Monitor.

17. Following further negotiations between the Litigation Parties, in consultation with the Monitor, on June 26, 2026, the Litigation Parties agreed to final definitive settlement terms (the "**DIP Settlement Agreement**"), pursuant to which, in exchange for the support of the Senior Secured Lenders for the EDC DIP Facility, the Senior Secured Lenders were granted certain consent, collaboration, information and participation rights in the CCAA Proceedings, as set out in the DIP Settlement Agreement. A copy of the DIP Settlement Agreement is attached hereto as **Appendix "E"**. The DIP Settlement Agreement also contemplates a confidential side letter agreement (the "**Side Letter**"), which was attached to the affidavit of Alison Babbitt dated June 27, 2026 as **Confidential Exhibit "B"**.[1]

18. The DIP Settlement Agreement, provides for the following, among other things:

    (a) Consent rights in favour of the Senior Secured Lenders on any spending of Excess Exploration and Expansion Expenses (as defined in the EDC DIP Facility) unless otherwise approved by the Court;

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[1] The Monitor recommends that the Side Letter which was filed with the Court on a confidential basis remain sealed until a further order of the Court, as it contains the confidential details of the proposed candidates for Chief Restructuring Officer and Transaction Advisor. The disclosure of these details could negatively affect the process to be undertaken to select a Chief Restructuring Officer and Transaction Advisor that will be overseen by the Monitor and the development of the SISP. The Monitor also supports the continued sealing of other confidential and commercially sensitive information filed with the Court in respect of the litigation surrounding the EDC DIP Facility.

(b) The procedures to be followed to select a Transaction Advisor and Chief Restructuring Officer in a process to be conducted by the Monitor (who will schedule all interviews) including:

(i) a Transaction Advisor and Chief Restructuring Officer shall be selected with the support of the DIP Lender and the Senior Secured Lenders in accordance with the terms set out in the DIP Settlement Agreement from among the candidates set out in the Side Letter;

(ii) the Debtors shall have the right to interview the candidates in the presence of the Monitor and to provide the Monitor with their views on the candidates; and

(iii) all parties have the right to object to the chosen candidates in Court, including the unfettered right of the Debtors to object to the Transaction Advisor or Chief Restructuring Officer selected;[2]

(c) Participation rights in favour of the Senior Secured Lenders in respect of (i) the development of a sale and investment solicitation process ("**SISP**") and its terms; (ii) proposed budgets and cash flow forecasts; and (iii) payments to related parties or insiders or binding sealift procurement commitments related to the Steensby Expansion;

(d) Specific information rights in favour of the Senior Secured Lenders; and

(e) Provisions dealing with the payment of the reasonable fees and disbursements of professional advisors retained by the Senior Secured Lenders and the DIP Lender.

[2] The Monitor notes that the Debtors' unfettered right to object is limited to the right to object to the identity of the Transaction Advisor and the Chief Restructuring Officer that was selected by the Senior Secured Lenders and the DIP Lender or recommended by the Monitor from the candidates set out in the Side Letter.

19. The Monitor is pleased with the cooperation by the Debtors, the DIP Lender and the Senior Secured Lenders in reaching a settlement that the Monitor believes is in the best interests of all stakeholders and that eliminates the need for the continuation of costly and distracting litigation in respect of the EDC DIP Facility. The Monitor is of the view that the DIP Settlement Agreement follows the spirit of the June 11 Endorsement, strikes an appropriate balance between the Litigation Parties, and provides appropriate consent, participation and information rights to the Senior Secured Lenders. It also clearly delineates next steps in determining an appropriate Transaction Advisor and Chief Restructuring Officer and provides for the payment of reasonable fees and disbursements.

20. The Monitor supports the approval by the Court of (i) the EDC DIP Facility on a final basis, and (ii) the DIP Settlement Agreement, as together they provide the Debtors with certainty and finality in respect of the EDC DIP Facility, and convey stability to the Debtors' employees, suppliers, customers and other stakeholders in preparation for the Sealift Season.

21. The Monitor is focused on assisting the Debtors and their stakeholders on next steps for the business and in the CCAA Proceedings, including: (i) assisting the Debtors with supplier engagement in preparation for the critical Sealift Season; (ii) engaging in preparations to launch a SISP in respect of the Debtors; (iii) participating in the identification of an appropriate Transaction Advisor to assist with the SISP; (iv) participating in the identification of an appropriate experienced Chief Restructuring Officer for the Debtors; and (v) assisting the Debtors in finalizing and seeking court approval of a Key Employee Retention Plan.

The Monitor respectfully submits to the Court this Second Supplemental Report.

Dated this 29th 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	Greg Watson
Senior Managing Director	Senior Managing Director

Appendix A

Second Amended and Restated Initial Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 11TH
	)	
MADAM JUSTICE STEELE	)	DAY OF JUNE, 2026

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

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

Applicants

SECOND AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation ("**BIMC**"), and 12334992 Canada Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order amending and restating the initial order issued by this Court on May 15, 2026 (the "**Initial Order**"), as amended and restated on May 25, 2026, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicants dated May 15, 2026 (the "**Application Record**"), including the Affidavit of Celeste van Tonder sworn May 14, 2026 (the "**Initial Van Tonder Affidavit**"), the Motion Record of the Applicants dated May 20, 2026, including the Affidavit of Celeste van Tonder sworn May 20, 2026 (the "**Second Van Tonder Affidavit**"), the Motion Record of the Applicants dated June 3, 2026 (together, with the Motion Record dated May 20, 2026, the "**Motion Records**"), including the Affidavit of Celeste van Tonder sworn June 3, 2026 (the "**Third Van Tonder Affidavit**"), the Responding Motion Record of the Applicants dated June 8, 2026, including the Affidavit of Celeste van Tonder sworn June 7, 2026 (the "**Fourth Van Tonder Affidavit**" and together with the Initial Van Tonder Affidavit, the Second Van Tonder Affidavit, and the Third Van Tonder Affidavit, collectively, the "**Van Tonder Affidavits**"), the consent of FTI Consulting Canada Inc. ("**FTI**") to act as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), the Pre-Filing Report of the Monitor dated May 14, 2026, the First Report of the Monitor dated May 22, 2026, the Second Report of the Monitor dated June 4, 2026, and the Supplement to the Second Report of the Monitor dated June 9, 2026, the Joint Cross-Motion Record of Oaktree Capital Management, L.P. and Hartree Partners, LP and the ad hoc committee of the 8.750% senior secured notes due 2026 dated June 4, 2026, including the Affidavit of Joshua Gordon dated June 4, 2026, and the transcript from the cross-examination of Celeste van Tonder held June 8, 2026, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and Baffinland Iron Mines LP (collectively, the "**Debtors**" and each a "**Debtor**"), counsel for the Monitor, counsel for Oaktree Capital Management, L.P. and Hartree Partners, LP, counsel for ad hoc committee of the 8.750% senior secured notes due 2026, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the lawyer's certificate of service, filed:

SERVICE AND DEFINITIONS

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

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Debtors shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The

Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

7. **THIS COURT ORDERS** that, notwithstanding anything else in this Order: (a) the Canadian Imperial Bank of Commerce (“**CIBC**”) and The Bank of Nova Scotia (“**BNS**”), each in their capacity as issuer of any letter of credit where BIMC is principal shall be

permitted to set-off or otherwise enforce against any cash or Guaranteed Investment Certificate held in an account with CIBC or BNS as collateral ("**Cash Collateral**") for the payment obligations owing to CIBC or BNS in respect of any such letter of credit (the "**LC Payment Obligations**"), or, in the case of BNS, for the payment obligations owing to BNS in respect of any corporate credit cards issued by BNS to or for the benefit of BIMC (collectively, the "**Corporate Card Obligations**"), (b) each of CIBC, BNS and the Bank of Montreal ("**BMO**") shall be permitted to deliver any notice or demand to BIMC that it deems necessary for the sole purpose of drawing upon any demand bond or guarantee or other third party credit support or security provided to CIBC, BNS or BMO to secure any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations, and (c) CIBC and BNS shall be an unaffected creditor under any Plan with respect to any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

8. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement, the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of the Initial Order:

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

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

(c) with the consent of the Monitor, amounts owing for goods or services supplied to the Debtors prior to the date of the Initial Order by third-party suppliers or service providers, if, in the opinion of the Debtors such supplier or service provider is critical to the Business or the Property.

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

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Debtors following the date of the Initial Order.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Debtors shall pay all amounts due and payable after the date of the Initial Order to the Qikiqtani Inuit Association in accordance with the Benefits Agreement, other than

such amounts which are subject to a bona fide dispute with respect to payment between the Debtors and the Qikiqtani Inuit Association.

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

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Northern Employee Benefits Services Pension Plan, and (iv) income taxes, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of the Initial Order, or where such Sales Taxes were accrued or collected prior to the date of the Initial Order but not required to be remitted until on or after the date of the Initial Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtors.

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

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

RESTRUCTURING

14. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, have the right to:

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

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate, subject to the terms of the Benefits Agreement with respect to any Inuit employees; and

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

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

15. **THIS COURT ORDERS** that the Debtors shall provide each of the relevant landlords with notice of the Debtors' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtors' entitlement to remove

any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtors, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtors' claim to the fixtures in dispute.

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including August 28, 2026, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or the Monitor or their respective employees, advisors or

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST THE D&O PARTIES

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

D&O PARTIES' INDEMNIFICATION AND CHARGE

23. **THIS COURT ORDERS** that the Debtors shall indemnify the D&O Parties against obligations and liabilities that they may incur as directors or officers, or in the case of members of the Operating Committee, in their capacity as persons exercising the powers of directors of the Debtors, directly or indirectly, after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings but which may become due and payable after the commencement of these proceedings, except to the extent that, with

respect to any such D&O Party, the obligation or liability was incurred as a result of the D&O Party's gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the D&O Parties shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of US$20.4 million, as security for the indemnity provided in paragraph 23 of this Order. The D&O Charge shall have the priority set out in paragraphs 42 and 44 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) D&O Parties shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

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

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

(a) monitor the Debtors' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Debtors, to the extent required by the Debtors, in their dissemination to the DIP Lender (as defined below) of financial and other information in accordance with the DIP Agreement, or as may otherwise be agreed between the Debtors and the DIP Lender, which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the Debtors in their preparation of the Debtors' cash flow statements and the reporting required by the DIP Lender under the DIP Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Lender in accordance with the DIP Agreement;

(e) advise the Debtors in their development of the Plan and any amendments to the Plan;

(f) assist the Debtors, to the extent required by the Debtors, with the holding and administering of creditors' and shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;

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

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

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

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

1999, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act,* the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the *Fisheries Act*, the *Nunavut Planning and Project Assessment Act* and the Nunavut *Safety Act*, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by any applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Debtors, including without limitation, the DIP Lender, with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

31. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees, advisors and representatives acting in such capacities shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

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

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

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Debtors' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US$5 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after

the date of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 44 herein.

DIP FINANCING

35. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to obtain and borrow or guarantee, as applicable, a senior secured, super-priority, debtor-in-possession, interim, revolving credit facility under a DIP Facility Loan Agreement dated as of June 3, 2026 (as may be amended, restated, supplemented and/or modified from time to time) (the "**DIP Agreement**") from His Majesty in Right of Canada, as represented by Export Development Canada (the "**DIP Lender**"), in order to finance the Debtors' working capital requirements, other general corporate purposes and capital expenditures, and other amounts permitted under the DIP Agreement, provided that borrowings under such credit facility shall not exceed the maximum principal amount of US$400 million in a Finished Product Funding Scenario or US$475 million in a Finished Product Non-Funding Scenario (each as defined in the DIP Agreement), in each case unless permitted by further Order of this Court.

36. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Agreement attached as Exhibit "H" to the Third Van Tonder Affidavit.

37. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be

reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Charge**") on the Property to secure all obligations then outstanding and owing to the DIP Lender under the DIP Agreement or the Definitive Documents, in each case arising on or after the date of this Order. The DIP Charge shall not secure any obligation that exists before the date of the Initial Order, and shall have the priority set out in paragraphs 42 and 44 herein.

39. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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

(b) upon the occurrence of an event of default under the DIP Agreement, which is continuing on the date which is 5 business days after the Debtors have received written notice of such event of default from the DIP Lender, the DIP Lender may in its discretion, exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtors and for the appointment of a trustee in bankruptcy of the Debtors; and

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

40. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan filed by the Debtors under the CCAA, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made pursuant to the DIP Agreement, other than after payment in full in cash to the DIP Lender of all DIP Obligations owing to it on or before the date such Plan is implemented.

41. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP

Agreement or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Agreement and the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

> *First* – the Administration Charge (to the maximum amount of US$5 million);
>
> *Second* – the D&O Charge (to the maximum amount of US$20.4 million); and
>
> *Third* – the DIP Charge (to the maximum amount of the DIP Obligations then outstanding).

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

44. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise

(collectively, "**Encumbrances**") in favour of any Person, other than the rights of CIBC or BNS in respect of any Cash Collateral in respect of any LC Payment Obligations, or, in the case of BNS, any Corporate Card Obligations.

45. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges or the Cash Collateral, unless the Debtors also obtain the prior written consent: (a) in the case of the Charges, the Monitor and the beneficiaries of the affected Charges, and (b) in the case of the Cash Collateral, the Monitor, the beneficiaries of the affected Charges and CIBC and BNS, or, in each case, further Order of this Court.

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

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

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtors entering into the DIP Agreement or the Definitive Documents, creation of the Charges or the execution, delivery or performance of the DIP Agreement or the Definitive Documents; and

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

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

SERVICE AND NOTICE

48. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the *Globe and Mail* (National Edition), a notice containing the information prescribed under the CCAA, (b) within five days after the date of the Initial Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the

prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

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

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

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

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

GENERAL

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

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

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

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

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

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

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

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

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

SECOND AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants and Baffinland Iron Mines LP

Appendix B

Endorsement of Justice Steele dated June 11, 2026

CITATION: Re Nunavut Iron Ore, 2026 ONSC Number
COURT FILE NO.: CL-26-00000219
DATE: 20260611

SUPERIOR COURT OF JUSTICE – ONTARIO [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.

BEFORE: Justice Jana Steele

COUNSEL: *Derek Ricci, Natalie Renner, Dylan Young, and Robert Nicholls* for the Applicants

Marc Wasserman, Jeremy Dacks, and Michael De Lellis for the Monitor

Alan Merskey and Alec Hoy for the Ad Hoc Committee of Senior Secured Noteholders

Daniel Murdoch, Maria Konyukhova, and Brittney Ketwaroo for Oatktree Capital Management, L.P. and Hartree Partners, LP

Evan Cobb for Export Development Canada

Vern Da Re for IRH Global Trading Inc.

Ken Rosenberg for the International Union of Operating Engineers Local 793

Kaleigh Sonshine and Patrick Corney for Qikiqtaaluk Corporation & Qikiqtani Industry Limited

Christopher Besant for Qikiqtani Inuit Association and Nunavut Tunngavik Inc.

Andrew Winton and Philip Underwood for the Energy & Minerals Group LP

HEARD: June 10, 2026

ENDORSEMENT

[1] The applicants bring a motion seeking, among other things, an extension of the stay of proceedings, and authorization to borrow up to $475 million in principal under a debtor-in-possession ("DIP") credit facility from His Majesty in Right of Canada, as represented by Export Development Canada ("EDC"). The proposed DIP would be secured by a charge in favour of EDC that would rank in priority to the other creditors (but behind the Administration Charge and D&O Charge) (the "DIP Charge").

[2] The first ranking secured creditors, Oaktree Capital Management, L.P. and Hartree Partners, LP (together, the "First Secured Lenders") and an ad hoc committee of senior secured notes issued by Baffinland Iron Mines Corporation oppose the applicants' DIP motion and have brought a cross-motion. They propose an alternative DIP.

[3] The applicants' motion originally returned on June 5, 2026. At that time, terms of an adjournment on consent were reached among the various stakeholders and the Monitor. The motion was adjourned to June 10, 2026 to determine the issue on a without prejudice basis so that the company could have immediate access to funds, pending the *de novo* return of the DIP motion, scheduled for June 30, 2026 on a full record (the "June 30 Motion") (the period between now and the Court's decision on the June 30 Motion being the "Bridge Period").

[4] The agreed terms of the adjournment are set out at Appendix "C" to the Supplement to the Monitor's Second Report.

[5] EMG (defined below), a significant shareholder of the Debtors (defined below), also filed materials. Among other things, EMG wants the Debtors and the Monitor to discuss and negotiate alternative DIP facilities during the Bridge Period.

[6] All dollar amounts set out herein are in US dollars, unless stated otherwise.

[7] For the reasons set out below, the Court approves the EDC DIP (defined below) and DIP Charge. As indicated above, this approval is only for the Bridge Period. The matter will be heard *de novo* at the June 30 Motion. Further, I have imposed certain of the protections requested by the Ad Hoc DIP Group (defined below).

Background

[8] Baffinland Iron Mines Corporation ("BIM Corp"), 12334992 Canada Inc., and Baffinland Iron Mines LP ("BIM LP", and together with 12334992 Canada Inc. and BIM Corp, the "Debtors") were granted an initial order, on May 15, 2026 (the "Initial Order"), under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "CCAA"). Among other things, the Initial Order granted the Debtors protection from their creditors and appointed FTI Consulting Canada Inc. as monitor (the "Monitor").

[9] On May 25, 2026, the Initial Order was amended and restated (the "ARIO"). Among other things, the ARIO increased the amounts of the Administration Charge and the D&O Charge and extended the stay of proceedings to June 5, 2026.

[10] On June 5, 2026, I granted an order (i) extending the stay until June 10, 2026, and (ii) providing for a supplier charge (referred to in the Order as the Sealift Supplier Charge) to assist the Company with acute needs related to ordering various supplies.

[11] The Debtors are a group of affiliated entities that are engaged in the iron ore mining business at the Mary River mine (the “Mine”). The Mine is located in the Qjkiqtani Region of Nunavut on Baffin Island, Canada. The location of the Mine is very remote – about 1,000 kilometers northwest of Iqaluit, Nunavut’s capital.

[12] BIM LP, through its general partner BIM Corp (collectively, “Baffinland”) carries out the Mine’s day-to-day operations. Baffinland is Nunavut’s largest private sector employer; It employs about 1,200 people. Employees fly in and out of Baffin Island on three-week rotations.

[13] Approximately 70% of the Debtors’ workforce belongs to the International Union of Operating Engineers Local 793 (the “Union”).

[14] The mining operations are primarily carried out on two main locations on Baffin Island: the Mine site, and a port at Milne Inlet. Ore that is extracted from the Mine is crushed, then transported by truck to the Milne Inlet Port, which is currently the sole export point for the Debtors’ iron ore. The Mine and Milne Inlet Port are connected by a gravel road.

[15] The Debtors are parties to offtake agreements with IRH Global Trading Ltd. (“IRH”), which purchases all iron ore stockpiled at the Milne Inlet Port. The current offtake arrangements expire in and around October 2026.

[16] Because of the weather, shipping of the iron ore from the Milne Inlet Port is limited to the open-water season – generally from around mid-July to mid-October (the “Shipping Window”). The limitation on shipping affects the Debtors’ ability to purchase supplies outside of the Shipping Window. Accordingly, the Debtors are entering their most cash-intensive period of their annual operating cycle. During the narrow Shipping Window, the Debtors must purchase the majority of the materials, supplies, and equipment they will need for the upcoming year’s operations. Among other things, the Debtors buy their entire annual fuel supply[1] during this time.

[17] The evidence of Celeste van Tonder[2], the President and Chief Financial Officer (“CFO”) of Nunavut Iron Ore, Inc., the CFO of 122334992 Canada Inc., and the CFO of BIM Corp., is that there will be two sealifts this season delivering supplies to the Mine during the Shipping Window. The first is scheduled to depart on July 8, 2026, and the second will depart in August. Sealift procurement requires lead time. Currently, the first sealift is only about 20% full.

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[1] The Mine’s operations are dependent on arctic diesel and jet fuel.
[2] Ms. van Tonder has also been a director of 123 Canada and BIM Corp since August 29, 2024.

[18] The Debtors' secured creditors are (i) the First Secured Lenders, Oaktree Capital Management, L.P. and Hartree Partners, LP, with a claim of about $183 million; (ii) the holders (the "Senior Secured Noteholders") of $575 million in principal amount of 8.750% senior secured notes issued by Baffinland (the "Senior Secured Notes"); and (iii) EDC in the approximate principal amount of $75 million.

[19] EDC is a Crown corporation established pursuant to the *Export Development Act* (Canada) (the "EDA"), whose sole shareholder is the Government of Canada. Section 18 of the EDA provides that: "[EDC] is for all purposes an agent of her Majesty in right of Canada."

[20] The Energy & Minerals Group LP, along with EMG Fund IV Management, LP and EMG Fund V Management, LP (collectively, "EMG") act as registered investment advisors on behalf of certain funds and co-investment vehicles for which they are designated as manager. EMG has invested over $1.5 billion in the Debtors.

[21] Pursuant to an Intercreditor Agreement dated as of June 27, 2018: (i) the First Secured Lenders hold first-ranking security over all the Debtors' assets; and (ii) the Senior Secured Noteholders and EDC hold *pari passu* security over the Shared Collateral (defined in the Intercreditor Agreement).

[22] On or about May 15, 2026, the Monitor and the Debtors commenced a DIP solicitation process[3] in order for the Debtors to secure financing as they enter into the Shipping Window period. The DIP Solicitation Process and the selection of the DIP financing agreement is described in the Monitor's Second Report. Among other things, the Monitor communicated to the participants in the DIP process on or about May 28, 2026, that potential DIP lenders were required to provide their "best and final" DIP proposal by 2:00 pm on May 30, 2026.

[23] The Debtors received three DIP proposals on May 30, 2026: one from EDC (the "EDC Proposal"); one from a syndicate that includes the First Secured Lenders and an ad hoc group of the Senior Secured Noteholders[4] (the "Ad Hoc DIP Group Proposal"); and one from IRH (the "IRH Proposal").

[24] The Monitor was of the view that both the EDC and Ad Hoc DIP Group Proposals were viable.

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[3] Prior to the CCAA filing, the Debtors, with the assistance of the Monitor (in its then capacity as financial advisor) started a pre-filing DIP solicitation process. FTI, on behalf of the Debtors, began to solicit DIP financing proposals. The details of the pre-filing DIP solicitation process are set out in the Monitor's Second Report.

[4] The ad hoc committee (the "Ad Hoc Committee") is comprised of Senior Secured Noteholders representing over 70% of the Senior Secured Notes.

[25] The EDC DIP loan is in a principal amount of $400 million (increasing to $475 million where the Debtors' offtake arrangements require replacement or renewal). The DIP loan in the Ad Hoc DIP Group Proposal is for $300 million.

[26] The Monitor was of the view that the IRH Proposal "did not contain sufficient certainty of funding in the context of these complex CCAA Proceedings," and accordingly, the Monitor did not support the selection of the IRH bid.

[27] Following the solicitation process, which was run on a very compressed time frame, the Operating Committee,[5] in consultation with the Monitor, selected EDC's proposal to provide the DIP financing.

Analysis

Which of the two "viable" DIP proposals should be approved pending the June 30 Motion?

[28] The Debtors' need for immediate DIP financing is clear. The cash flow forecast for the 13-week period ending August 28, 2026 estimates a net cash outflow of about $217 million for the 13-week period, with about $103 million needed in the next four weeks.

[29] The Monitor's counsel advised the Court that as of June 12, 2026, the Debtors will have only about $1 million cash. They are in desperate need of cash. Ms. van Tonder's evidence is that the Debtors have already lost a number of employees since these proceedings commenced. Among other things, employees have expressed concern about being flown up to the Mine and then stranded there if the company runs out of money.

[30] No one disputes that the Debtors need funds and need funds now. The issue is which lender gets to be the DIP lender and have the DIP Charge. At this interim motion, the issue is which of the two DIP loans that were identified as "viable" should be approved pending the hearing *de novo* on June 30.

[31] The Debtors ask the Court to approve the EDC Proposal. The First Secured Lenders and the ad hoc group of the Senior Secured Noteholders (collectively, the "Ad Hoc DIP Group") ask the Court to approve their proposed DIP.

[32] Both the EDC Proposal and the Ad Hoc DIP Group proposal provide for $110 million of financing during the interim Bridge Period.

[33] In either case, the issue of whether EDC or the Ad Hoc DIP Group will ultimately provide the DIP loan to the Debtors will be determined *de novo* at the June 30, 2026 attendance. The Court

[5] The decision-making authority of the Debtors has been delegated to an operating committee whose members are appointed by the ultimate shareholders of the Debtors.

is being asked to determine the funding issue on an urgent basis, and without the benefit of a full record, to ensure that the Debtors have immediate access to funding.

[34] Section 11.2(1) of the CCAA authorizes the court to approve DIP financing. It provides:

> On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge – in an amount that the court considers appropriate – in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.

[35] All the secured creditors who are likely to be affected by the security or charge are on notice, as required by s. 11.2(1).

[36] In considering an order under section 11.2(1) of the CCAA, s. 11.2(4) of the CCAA sets out factors that the court is to consider, among other things:

a. The period during which the company is expected to be subject to proceedings under this Act;

b. How the company's business and financial affairs are to be managed during the proceedings;

c. Whether the company's management has the confidence of its major creditors;

d. Whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;

e. The nature and value of the company's property;

f. Whether any creditor would be materially prejudiced as a result of the security or charge; and

g. The monitors report.

[37] The list of factors set out in s. 11.2(4) of the CCAA is not exhaustive: *Canwest Publishing Inc.*, 2010 ONSC 222, 63 C.B.R. (5th) 115, at para. 42, *9354-9186 Quebec Inc. v. Callidus Capital Corp.*, 2020 SCC 10, [2020] 1 S.C.R. 521, at para. 97. In *Callidus*, the Supreme Court of Canada further instructed that the 11.2(4) factors "need not be mechanically applied or individually reviewed" by the Court, and that not every factor will be significant in every case.

[38] The Ad Hoc DIP Group submits that although both DIPs provide the $110 million that the Debtors require during the Bridge Period at comparable cost, only their bid maintains the status quo. They argue that the Ad Hoc DIP Group Proposal should be approved because it meets the

statutory requirements, provides the necessary liquidity and certainty to the Debtors and preserves the status quo until the June 30 Motion can be heard and decided on a complete record. In addition, the Ad Hoc DIP Group submits that an order that does the least to disrupt the existing priorities of all stakeholders should be preferred in a circumstance such as this where the Ad Hoc DIP Group was served on very short notice[6] with the Debtors' motion for DIP financing.

[39] As noted by the Debtors, there is no status quo that can be maintained. The Debtors have filed under the CCAA. They have effectively run out of money. Regardless of which DIP is approved the priority position of at least one secured creditor will be affected.

[40] Ms. van Tonder's evidence is that the media coverage of the CCAA proceeding has contributed to low employee confidence in their business and has undermined their ability to communicate to employees that the Mine continues to operate on a "business as usual" basis. Similarly, Ms. van Tonder emphasizes the importance of maintaining the confidence of the local community, including the Qikiqtani Inuit Association, given that the Debtors' operations have a disproportionate impact on the Baffin Island and Nunavut economy.

[41] Submissions were made from other economic and community stakeholders in support of the EDC DIP, including the Union, Qikiqtanluk Coproration and Qikiqtani Industry Ltd., and the Qikiqtalluk Corporation & Quikiqtani Industry Limited.

[42] The Monitor supports the Debtors' motion to approve the EDC Proposal. The Court is being asked to make an interim decision on a tight time frame, given, among other things, the urgent cash needs of the Debtors because of the short seasonal Shipping Window. As noted by the British Columbia Supreme Court in *Great Basin Gold Ltd. (Re)*, 2012 BCSC 1459, 94 C.B.R. (5th) 228, at para. 182, applications for DIP financing are frequently brought on an urgent basis and "[t]he court will, of necessity, seek the input of the monitor, who will have the necessary background and hopefully, knowledge and insight on these important issues." In *Great Basin* Fitzpatrick J. noted that the court must be vigilant against deciding these issues where there is "manufactured" urgency. That is not the case here. As noted by the Debtors, this is not an artificial cash crunch they have manufactured. Instead, it is a reality of the ordinary cyclical nature of a business operating on an island in the Arctic Circle. The evidence is clear that the Debtors urgently need significant funding now. No one disputes this.

[43] While I am aware that CCAA courts have cautioned that "the Court should be cautious in exercising its inherent jurisdiction to order priority for a DIP Charge over the objection of a secured creditor," the Court in CCAA proceedings has jurisdiction to do so: *Temple City Housing Inc.*, 2007 ABQB 786, 42 C.B.R. (5th) 274, at para. 14, leave to appeal refused, 2008 ABCA 1, 422

[6] The Ad Hoc DIP Group were served just after midnight on June 4, 2026 for the Debtors' motion scheduled for June 5, 2026. As set out above, consent terms of an adjournment to June 10, 2026 were reached on June 5, 2026.

A.R. 4. In the instant case both proposed DIP facilities are from secured lenders, both objecting to the others' proposed DIP.

[44] The prejudice, if any, in the instant case is minimal because the DIP financing matter will be heard *de novo*, on a full record, in less than three weeks. Further, as discussed below, I have granted certain protections that were requested by the Ad Hoc DIP Group. As noted by the Ad Hoc DIP Group, both DIP facilities provide for an initial advance of up to $110 million during the interim period, both DIP facilities remain available for subsequent approval at the June 30 Motion, regardless of which is selected for the Bridge Period, and both DIP facilities can be repaid with no additional fees (only accrued interest) if the other facility is ultimately selected as the successful DIP at the June 30 Motion.

[45] Through no fault of theirs, and while they are prepared to fund as quickly as possible having already designated Barclays as the "Fronting Lender", there are steps that must be taken before the Ad Hoc DIP Group would be in a position to advance the funds to the Debtors. First, the "Know Your Client" requirements would have to be satisfied. Second, the parties would have to "dot the I's and cross the T's" on the Ad Hoc DIP Group agreement. Because the Debtors had accepted EDC's DIP proposal, the Debtors have already completed these steps with respect to the EDC DIP.

[46] In the circumstances, I am prepared to accept the Monitor's recommendation and authorize the EDC DIP for the Bridge Period. In doing so, I am not making a determination on, among other things, the appropriateness of the size of the proposed loans, and what facility is more appropriate for the entirety of the CCAA proceedings, or the efficacy of the DIP solicitation process. The matter will be heard *de novo* on a full record in less than three weeks. At this time, there needs to be a DIP in place, so the Debtors have funding, and their suppliers and employees have some comfort. As was stated numerous times at the hearing by multiple stakeholders, the Debtors need stability right now.

[47] I am mindful, however, of the protections proposed by the Ad Hoc DIP Group in the event that their proposal was successful at the interim motion. The Ad Hoc DIP Group requested the Court include similar protections for them if I approved the EDC DIP. I am of the view that both "viable" DIP Proposals should be kept on a level playing field to the extent possible, pending the ultimate decision on the merits. I have accepted most of the protections suggested by the Ad Hoc DIP Group.

[48] The following protections shall apply during the Bridge Period:

(a) Consent Rights

The following matters shall require the prior written consent of the Ad Hoc DIP Group during the Bridge Period:

1. <u>Appointment of Chief Restructuring Officer or Expansion of Monitor Powers.</u> The appointment of any chief restructuring officer or any expansion of the powers of the Monitor beyond those set out in the Initial Order.

2. DIP Facility Draws Above Interim Bridge Amount. Any draws on the EDC DIP in excess of $110 million.

3. Waivers of DIP Facility Limits. Any waivers of imposed limits under the EDC DIP in respect of the Steensby Expansion project or mineral exploration expenses.

(b) Consultation Rights

The Company, the Monitor, and their respective advisors shall consult with the Ad Hoc DIP Group in respect of the following matters, where applicable during the Bridge Period:

1. Investment Banker Selection for Sales and Investment Solicitation Process (the "SISP"). The Company shall consult with the Ad Hoc DIP Group on investment banker candidates to conduct the SISP prior to interviewing any such candidates, shall permit the Ad Hoc DIP Group to attend interviews with candidates and provide feedback, and shall consult with the Ad Hoc DIP Group on the engagement terms of the selected investment banker prior to finalization.

2. Development of the SISP. The Company shall consult with the Ad Hoc DIP Group on the development of the SISP.

3. Budgets and Cash Flow Forecasts. The Company and the Monitor shall consult with the Ad Hoc DIP Group on any proposed budgets and cash flow forecasts (and any amendments thereto) prior to the finalization or Court approval of any such budgets or forecasts.

4. Specified Capital Expenditures and Commitments. The Company and the Monitor shall consult with the Ad Hoc DIP Group prior to: (i) any discretionary capital expenditures toward the Steensby Expansion project or non-discretionary capital expenditures toward the Steensby Expansion project above $20 million; (ii) any discretionary exploration expenditures or non-discretionary exploration expenditures above $10 million; (iii) any payments to related parties or insiders; or (iv) any binding sealift procurement commitment related to the Steensby Expansion, or otherwise outside of normal course operations.

(c) Information Rights

The Ad Hoc DIP Group shall be entitled to the following information and reporting rights throughout the Bridge Period:

1. Information Equivalent to DIP Lenders. The Ad Hoc DIP Group shall receive the same level of written information and financial reporting received by EDC as DIP Lender, including variance reporting.

2. Regular Update Calls. Management and Company advisors shall host regular weekly update calls with the Ad Hoc DIP Group addressing the business, the restructuring proceedings, and the SISP (once implemented).

3. Payment of Advisor Fees. The reasonable fees and disbursements of the Ad Hoc DIP Group's professional advisors shall be paid by the Company and included as a line item in the approved cash flow forecast.

[49] The Ad Hoc DIP Group had requested a "no exclusivity" clause, which would permit the Debtors to solicit or accept alternative proposals for final or interim financing. I am not prepared to effectively re-open the DIP solicitation process at this stage. The June 30 Motion will address, among other things, the DIP solicitation process. However, I direct the Debtors and the Monitor to work with the Ad Hoc DIP Group to "cross the I's and dot the T's" on the May 30, 2026 DIP Proposal provided by the Ad Hoc DIP Group. Further, I direct the Debtors and the Monitor to take the necessary steps and provide the necessary information to the Ad Hoc DIP Group (or as they direct to their Fronting Lender) so that the "Know Your Client" requirements can be satisfied prior to the return.

[50] In my view, the above protections are appropriate in order to ensure a level playing field when the matter returns on June 30.

Should the Stay be extended?

[51] The current stay expires on June 10, 2026. The Debtors seek an extension of the stay to August 28, 2026. No one opposed the requested stay extension.

[52] At the hearing I indicated that I would grant the stay extension, with reasons to follow. I signed the Order following the appearance.

[53] The Court has the jurisdiction to extend the stay under s. 11.02(2) of the CCAA, which permits the court to extend the stay for "any period it considers necessary," provided that circumstances exist that make the order appropriate, and the debtors have acted, and are acting, in good faith and with due diligence. I am satisfied that both factors have been met. The stay extension is necessary and appropriate to provide the Debtors with breathing room. Among other things, the Debtors need to stabilize operations during the short shipping season, continue engaging with stakeholders, and develop and launch a SISP in a structured and orderly manner. I further note that a stay extension was a condition precedent to funding under each of the DIP proposals received by the Debtor. The Monitor supports the proposed extension. The Debtors are acting in good faith and with due diligence.

Sealing Order

[54] The Debtors had requested a sealing order over certain information. However, they asked that this relief be adjourned to the next appearance to provide the Debtors with an opportunity to consider the breadth of the sealing order that is necessary in the circumstances. The sealing order issue is adjourned to the June 30 Motion.

Payment to certain critical suppliers with the Monitor's approval

[55] The Debtors request a provision in the Order that entitles, but does not require, the Debtors to pay, with the Monitor's consent, amounts owing for goods or services supplied to the Debtors prior to the date of the Initial Order if such payment is necessary or desirable to avoid disruption to the Debtors' business operations during these proceedings. No one opposed this relief sought by the Debtors.

[56] The Court has jurisdiction to grant this relief under s. 11 of the CCAA. As noted by the Debtors, the Court has previously granted similar orders in CCAA proceedings: See, for example, *Springer Aerospace Holdings Limited*, 2022 ONSC 6581, at paras. 25-27. In making such orders, Courts have considered numerous factors, including:

a. Whether the goods and services concerned are integral to the business;

b. The debtor's need for the uninterrupted supply of the goods or services;

c. The monitor's support and willingness to work with the debtor to ensure that payments to suppliers in respect of pre-filing liabilities are appropriate; and

d. The effect on the debtor's ongoing operations and ability to restructure if they were unable to make pre-filing payments to their suppliers:

Springer, at para. 25.

[57] I am satisfied that these criteria have been met. Ms. van Tonder's evidence is that because of the unique nature of the Debtors' business, the Debtors have no readily available means to replace certain third-party suppliers and service providers. The continued cooperation of these suppliers is essential to maintaining the Debtors' operations. The Order will provide that any such payments may only be made with the Monitor's consent and only to those suppliers or service providers that the Debtors and the Monitor agree are critical to the Debtors' business operations.

Justice Jana Steele

Date: June 11, 2026

Appendix C

Endorsement of Justice Steele dated June 23, 2026

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000219-0000 **DATE: June 23, 2026**

NO. ON LIST: 1

TITLE OF PROCEEDING: NUNAVUT IRON ORE, INC. et al v. CANADIAN IMPERIAL BANK OF COMMERCE et al

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

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John Salmas	Wilmington Trust, National Association	jsalmas@reedsmith.com

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ENDORSEMENT OF JUSTICE STEELE:

[1] Case conference held via Zoom on June 23, 2026.

[2] The Monitor informed the court that the secured creditors have a proposed settlement on the DIP issue, which the Monitor supports.

[3] The Debtors requested time to review.

[4] The case conference is adjourned to **<u>June 24, 2026, at noon, via Zoom.</u>**

[5] The Monitor is asked to provide the Court with a copy of the revised proposal.

[6] The parties are directed to involve the Monitor in any meetings and calls regarding the proposed DIP settlement.

[7] The litigation schedule is paused effective immediately to give everyone the opportunity to consider the proposed DIP settlement.

Date: Jun 23, 2026

Justice J. Steele

Appendix D

Endorsement of Justice Steele dated June 24, 2026

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000219-0000 **DATE: June 24, 2026**

NO. ON LIST: 1

TITLE OF PROCEEDING: Nunavut Iron Ore, Inc. et al

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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George Benchetrit	Counsel for J. Calvert, J. Raymond, and J. Ball	George@chaitons.com
Kevin Wu	Counsel for Centaurus Capital LP	Kevin.wu@blakes.com

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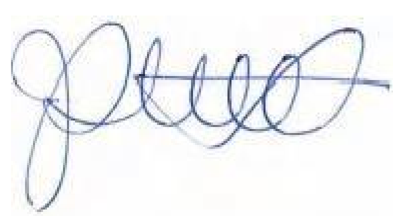
ENDORSEMENT OF JUSTICE STEELE:

[1] Case conference held on June 24, 2026, via Zoom further to the attendance yesterday.

[2] The Court was advised that matters have progressed regarding the proposed DIP settlement; however, there is not yet consensus.

[3] The parties indicated that discussions were continuing.

[4] To the extent that there are any unresolved issues between the parties, they will be addressed at the motion scheduled for June 30, 2026. Any materials of the parties shall be filed by June 27, 2026. The Monitor's report shall be filed by June 29, 2026.



Date: Jun 24, 2026

Jana Steele

Appendix E

DIP Settlement Agreement

SETTLEMENT OF DIP FINANCING LITIGATION

Consensual Approval of EDC DIP Facility with Protections for Senior Secured Lenders and EDC

Key Terms:

- Senior Secured Lenders and EDC will fully support the final approval of the EDC DIP Facility at the hearing on June 30 (the "EDC DIP Order")

- The Senior Secured Lenders and EDC will fully support a court order approving the protections for the Senior Secured Lenders and EDC set out herein, and the Senior Secured Lenders' support for the EDC DIP Order is subject to approval of those protections.

- All litigation steps and related costs on the DIP litigation to be suspended immediately

- Nothing in these settlement terms shall affect any of the protections granted to the Senior Secured Lenders by the Court in the June 11 endorsement through the bridge period (i.e., until the granting of the EDC DIP Order). These settlement terms apply to the period starting on the date of the EDC DIP Order.

- Senior Secured Lenders to file an Aide Memoire in support of the EDC DIP approval, which shall be shared with EDC a reasonable time in advance of service for review and any suggested comments.

Secured Creditor Protections

(a) Consents

The First Secured Lenders and Ad Hoc Committee (the "Senior Secured Lenders") shall have consent rights on the following:

- Any spending of Excess Exploration and Expansion Expenses (as defined in the EDC DIP Facility served on June 8, 2026), unless otherwise approved by the Court on a motion on proper notice.

(b) CRO and Sale Advisor Selection

A Transaction Advisor and a Chief Restructuring Officer/ Advisor shall be selected in a process conducted by the Monitor in accordance with the following terms:

- A transaction advisor shall be selected with the support of EDC and the Senior Secured Lenders in accordance with the terms herein from among the candidates set out in that certain side letter among EDC, the Senior Secured Lenders and the Company dated June 22, 2026 (the "Side Letter"), shall be engaged to assist with the sale and investment solicitation process (the "FA"), in each case as may be approved by the CCAA Court. The selected FA will be supported by the Senior Secured Lenders and EDC if (i) EDC approves of that selection and (ii) one of either (a) Oaktree/Hartree; and (b) Brigade/Polen also supports that selection. If support described in (i) and (ii) above is not achieved, the matter will be submitted to the court on a motion on proper notice for further direction, with a recommendation from the Monitor and all parties retain the right to object in Court.

- The Company shall have the right to interview the candidates for transaction advisor in the presence of the Monitor and to provide the Monitor with its views on the candidates for transaction advisor, so long as that does not delay the selection process. The Company retains the unfettered right to object in Court should it not agree with the transaction advisor selected;

- A chief restructuring officer shall be selected with the support of EDC and the Senior Secured Lenders in accordance with the terms herein from among the identified candidates that has been set out in the Side Letter. The selected Chief Restructuring Officer will be supported by the Senior Secured Lenders and EDC if (i) EDC approves of that selection and (ii) one of either (a) Oaktree/Hartree; and (b) Brigade/Polen also supports that selection. If support described in (i) and (ii) above is not achieved, the matter will be submitted to the court on a motion on proper notice for further direction, with a recommendation from the Monitor and all parties retain the right to object in Court.

- The Company shall have the right to interview the candidates for Chief Restructuring Officer in the presence of the Monitor and to provide the Monitor with its views on the candidates for Chief Restructuring Officer, so long as that does not delay the selection process. The Company retains the unfettered right to object in Court should it not agree with the Chief Restructuring Officer selected.

- All interviews of Transaction Advisor candidates and Chief Restructuring Officer candidates shall be scheduled by the Monitor.

(c) Participation Rights

The Company, the Monitor, and their respective advisors, including any CRO, shall work in good faith with the Senior Secured Lenders (or their advisors as they may direct), reasonably contemporaneous with their discussions with the DIP Lender, in respect of the following matters during the CCAA Proceedings and in each case prior to the Company making any decisions and seeking Court approvals (as applicable):

- SISP: the development of the SISP and its terms, including phases, consent and discussion rights and duration. The Debtors shall share drafts of the SISP (and any feedback received from the DIP Lender) reasonably contemporaneous with the delivery or receipt of such drafts and feedback/comments, as applicable, and shall consider and reflect, as appropriate, the reasonable comments of the Senior Secured Lenders.

- Budgets and Cash Flow Forecasts: any proposed budgets and cash flow forecasts (and any amendments thereto), including any cash flow forecasts to be approved by the DIP Lender, prior to the finalization and Court approval of any such budgets or forecasts.

- Specified Capital Expenditures and Commitments: prior to (i) any payments to related parties or insiders; or (ii) any binding sealift procurement commitment related to the Steensby Expansion, or otherwise outside of normal course operations.

(d) Information Rights

The Senior Secured Lenders (or their advisors as they may direct) shall be entitled to the following information and reporting rights throughout the CCAA proceedings, subject to appropriate confidentiality agreements, which shall not include 'cleansing' provisions and which shall permit information that, in the view of the Monitor after consultation with the Company, is determined to be competitively sensitive to be withheld from those Senior Secured Lenders that are customers/suppliers of the Debtors:

- The same level of written financial information and reporting received by the DIP Lender, including variance reporting, and reasonably contemporaneous with the delivery of such information to the DIP Lender.

- Management and Company advisors, including CRO, shall host regular weekly update calls with the Senior Secured Lenders (including their advisors) addressing the business and the restructuring proceedings; provided that the cadence of such calls can be revisited between the parties and the Monitor.

- The CRO and FA shall provide regular updates (which may include regular weekly calls as appropriate), to one representative of each of (i) Oaktree and Hartree; (ii) Polen and Brigade; and (iii) EDC, or in the case of (i), (ii) or (iii), their respective financial advisor as they may direct, regarding material developments in the SISP (once implemented). The Monitor and the Company shall participate in such updates. Any representatives receiving these updates shall be subject to appropriate confidentiality restrictions regarding the SISP updates, without 'cleansing' provisions. The calls may be with or without counsel as agreed to by the parties (including the Monitor and the Company).

(e) Payment of Fees

- Fees prior to June 11 endorsement: The reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors from and including May 15, 2026 to June 10, 2026 (in the amount of approximately US$500,000 in the case of Oaktree / Hartree and US$500,000 in the case of the Ad Hoc Committee of Noteholders) shall be paid by the Company promptly following the receipt of such invoices and issuance of the EDC DIP Order.

- Fees during Bridge Period: As required by the June 11 endorsement, the reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors for the period from June 11, 2026 through the date of the EDC DIP Order, shall be paid by the Company promptly following the receipt of such invoices and issuance of the EDC DIP Order.

- Fees after EDC DIP Order: The reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors, from the date of the EDC DIP Order forward during the CCAA proceedings shall be included in the professional fees line item in each of the approved cash flow forecasts, up to a maximum of USD$200,000 per month for each of (i) Polen / Brigade; (ii) Oaktree/Hartree; and (iii) EDC, and such fees shall be paid within 14 days of receipt of an invoice from the applicable advisors; provided that any unused amounts in any given month by a party shall roll over and be available for use by that party's advisors in any following month during the CCAA proceedings.

- For greater certainty, this agreement is without prejudice to the rights of any of the Senior Secured Lenders and EDC to seek to either add any prefiling professional fees and any professional fees in excess of any of the capped amounts referenced herein to constitute obligations under the applicable debt document or otherwise seek to pay such fees from any distributions that may be made to the holders thereof, in each case as applicable.

- Advisors for each respective creditor constituency will take all reasonable steps to avoid duplication of activities.

- For greater certainty, any limit described herein on fees does not apply to any fees incurred by EDC in enforcing its rights pursuant to the EDC DIP Credit Agreement.

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

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