Court File No. CL-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.

JOINT AIDE MEMOIRE OF THE SENIOR SECURED LENDERS, EDC AND THE DEBTORS (Motion Returnable June 30, 2026)

June 28, 2026

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TO: SERVICE LIST

1. The Applicants and Baffinland Iron Mines LP (together, the "**Debtors**"), Export Development Canada ("**EDC**"), Oaktree Capital Management, L.P. and Hartree Partners, LP (together, the "**First Secured Lenders**") and the ad hoc committee of the 8.750% senior secured notes due 2026 (the "**Ad Hoc Committee**", and together with the First Secured Lenders, the "**Senior Secured Lenders**") file this joint *aide mémoire* in support of an order (the "**DIP Resolution Order**") approving:

(a) the debtor-in-possession credit facility entered into between Baffinland Iron Mines Corporation and Baffinland Iron Mines LP, as borrowers, Nunavut Iron Ore, Inc. and 12334992 Canada Inc., as guarantors and His Majesty in Right of Canada, as represented by EDC, as DIP lender, dated as of June 3, 2026 (the "**EDC DIP**");

(b) the settlement agreement (the "**Settlement Agreement**")[1] and side letter (the "**Side Letter**") agreed to between the Senior Secured Lenders, EDC, and the Debtors on June 26, 2026, which collectively provide for a resolution of matters previously in dispute in connection with the motion returnable June 30, 2026 (the "**DIP Resolution**"); and

(c) sealing the Side Letter and certain documents relevant to the motion returnable June 30, 2026, until further Order of the Court.

2. The Debtors, EDC and the Senior Secured Lenders are also seeking an endorsement from this Court which confirms that, for the period from and following the entry of the DIP Resolution Order, the Court's endorsement issued June 11, 2026 (the "**June 11**

[1] A copy of the Settlement Agreement which includes the terms of the DIP Resolution is attached to the Affidavit of Alison Babbitt, sworn June 27, 2026.

Endorsement") shall be superseded in its entirety by the DIP Resolution Order and the Second Amended and Restated Initial Order granted in these CCAA proceedings on June 11, 2026 (the "**Second ARIO**").

3. The DIP Resolution is supported by the Court-appointed monitor of the Debtors, FTI Consulting Canada Inc. (in such capacity, the "**Monitor**").

4. The DIP Resolution provides the Senior Secured Lenders with certain consent, collaboration, information, and participation rights that, taken together, appropriately safeguard the interests of the Debtors' secured creditors while permitting the EDC DIP to proceed and the Debtors' restructuring in this proceeding to advance expeditiously. As set out below, the DIP Resolution satisfies the criteria for Court approval of settlements in *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended ("**CCAA**") proceedings and should be approved.

Background and Path to Resolution

5. Following a DIP solicitation process conducted by the Debtors and the Monitor, the Debtors elected to proceed with the EDC DIP, which was approved on an interim basis on June 10, 2026. The June 11 Endorsement also directed certain consent, consultation, and information rights, and expense payments in favour of the Senior Secured Lenders (the "**Secured Creditor Protections**"). The interim approval of the EDC DIP was intended to satisfy funding requirements only until a *de novo* determination of the appropriate DIP financing facility at the hearing scheduled for June 30, 2026.

6. Following the June 10, 2026, hearing, the parties agreed to and set out on a labour and cost-intensive litigation schedule on the issue of the ultimate approval of a DIP financing facility.

7. Recognizing that a consensual resolution would be in the best interests of all parties, the Senior Secured Lenders and EDC engaged in robust and extensive settlement discussions and were able to achieve agreement on terms that are fair and reasonable and appropriate in the circumstances and that would allow the EDC DIP to proceed while providing the Senior Secured Lenders with protections similar to the Secured Creditor Protections previously granted by this Court. The agreed upon protections have been adapted for the next phase of these proceedings.

8. After reaching a consensus as between themselves, the Senior Secured Lenders and EDC promptly engaged with the Monitor and the Debtors to negotiate and finalize the terms of the DIP Resolution which would obviate the need to continue with value-destructive litigation to determine the appropriate DIP financing facility.

9. On June 23, 2026, the parties informed the Court that the secured creditors had a proposed settlement on the DIP issue, which the Monitor supported. The litigation schedule was paused effective immediately to give everyone the opportunity to consider the proposed DIP settlement and no litigation steps have been taken by any party since then.

10. The Senior Secured Lenders, EDC, and the Debtors engaged in constructive discussions, with the oversight of the Monitor, and ultimately agreed to the terms of the DIP Resolution on June 26, 2026.

11. In summary, the DIP Resolution contemplates, among other things:

(a) *Consent Rights*. The Senior Secured Lenders shall have consent rights on any spending of Excess Exploration and Expansion Expenses (as defined in the EDC DIP) unless otherwise approved by the Court.

(b) *CRO and Transaction Advisor Selection*. A transaction advisor and a Chief Restructuring Officer ("**CRO**") shall be selected from among candidates identified in the Side Letter and in accordance with the terms and procedures of the DIP Resolution pursuant to a process conducted by the Monitor.

(c) *Participation Rights*. The Debtors and the Monitor will work in good faith with the Senior Secured Lenders during the CCAA proceedings, in respect of the development of the sale and investment solicitation process ("**SISP**"), proposed budgets and cash flow forecasts, and certain specified capital expenditures and commitments.

(d) *Information Rights*. The Senior Secured Lenders will receive the same level of written financial information and reporting received by EDC. The Debtors and their advisors are to continue to host regular weekly update calls addressing the business and the restructuring proceedings, provided that the cadence of such calls can be revisited between the parties and the Monitor.

(e) *Payment of Professional Fees*. The Debtors are to pay the reasonable fees and disbursements of the Senior Secured Lenders' and EDC's professional advisors for the periods before, during, and after the bridge period, subject to the terms of the DIP Resolution.

12. The agreement reached between the parties affords appropriate protections for the Senior Secured Lenders that sit alongside EDC's existing rights as DIP Lender and establishes a practical mechanism for ensuring that material decisions affecting collateral value are made with the benefit of the Senior Secured Lenders' input, Monitor oversight and, where necessary, further Court direction.

13. The DIP Resolution does not require the parties to amend the EDC DIP Facility that was approved by this Court on an interim basis on June 10, 2026.

14. The Senior Secured Lenders have been clear that their position is the DIP Resolution is a 'package' deal, and their opposition to the EDC DIP Facility and the need to resume litigation on these matters falls away only if the DIP Resolution terms are approved.

The DIP Resolution Should be Approved

15. It is well established that CCAA courts have jurisdiction to approve settlement agreements entered into during the course of CCAA proceedings where a settlement avoids complex and costly legal contests and contributes to advancing the restructuring on a timely

and efficient basis.[2] In determining whether to approve a proposed settlement, CCAA courts consider the following three factors: (a) whether the settlement is fair and reasonable; (b) whether the settlement will benefit the debtor and its stakeholders generally; and (c) whether the settlement is consistent with the purpose and spirit of the CCAA.[3]

16. In determining whether a settlement is fair and reasonable, the Court must consider whether the proposed settlement properly balances the interests of all parties and treats all parties equitably.[4]

17. The Senior Secured Lenders, EDC, and the Debtors respectfully submit that the DIP Resolution satisfies the test for Court approval. The DIP Resolution represents a fair and reasonable resolution of the disputes concerning the appropriate provider of DIP financing. It properly balances the interests of all parties by permitting the EDC DIP to proceed – ensuring that the Debtors have access to necessary DIP financing while affording the Senior Secured Lenders protections that are similar to the Secured Creditor Protections previously approved by this Court in the June 11 Endorsement. The DIP Resolution is the product of good faith, arm's length negotiations amongst the representatives of the secured creditor constituencies and the Debtors, with the support of the Monitor.

18. After careful consideration, the Debtors determined that the DIP Resolution is in the best interests of their stakeholders in the circumstances. In addition to ending the immediate value-destructive DIP litigation, it creates a framework for cooperation between the Debtors and their secured creditors on issues that are central to value preservation and realization,

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[2] *Robertson v ProQuest Information and Learning Company*, 2011 ONSC 1647 at para. 22; *Nortel Networks Corporation (Re)*, 2010 ONSC 1708 at para. 71 ("***Nortel***"); *The Cannabist Company Holdings Inc. et al. (Re)*, Endorsement of Justice J. Dietrich dated June 22, 2026, at para. 9 ("***Cannabist***"); *1057863 B.C. Ltd. (Re)*, 2024 BCSC 1111 at para. 14.
[3] *Cannabist* at para. 9; *The Cash Store Financial Services Inc. (Re)*, 2015 ONSC 7538 at para. 14.
[4] *Nortel* at para. 73.

including the identification of an appropriate transaction advisor and CRO, and development of the SISP. The DIP Resolution benefits non-party creditors by reducing future litigation costs, promoting efficient stakeholder engagement, and reducing the risk that major restructuring decisions will be revisited through repeated contested motions.

19. For the foregoing reasons, the Senior Secured Lenders, EDC and the Debtors submit that the DIP Resolution is squarely in-line with the spirit and purpose of the CCAA, is in the best interests of all stakeholders, and should be approved by this Court.

The Side Letter and Confidential Materials Should be Sealed

20. The Senior Secured Lenders, EDC and the Debtors adopt and rely on the Debtors' submissions at paragraphs 65-71 in their factum filed on June 4, 2026, with respect to the law on sealing and justification for sealing the Side Letter.

21. The Side Letter similarly contains confidential and commercially sensitive information that could negatively impact the process of selecting a CRO and transaction advisor, and as a matter of proportionality, the benefits of sealing the requested information outweigh its negative effects.

22. The Senior Secured Lenders, EDC, and the Debtors also continue to rely on the Debtors' submissions at paragraphs 65-71 in their factum filed on June 4, 2026, with respect to the law on sealing and justification for sealing the confidential materials related to the June 30, 2026, motion. The confidential materials contain commercially sensitive information that could be prejudicial to the SISP for the reasons explained in the Debtors factum and as explained therein, the benefits of sealing the information outweigh its negative effects.

The June 11 Endorsement Should be Superseded

23. Since the June 11 Endorsement approved the EDC DIP on an interim basis, permitted the Debtors to draw only up to US$110 million, and provided for certain Secured Creditor Protections on an interim basis, it should be superseded in its entirety by the terms of the DIP Resolution Order and the Second ARIO.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of June, 2026.

Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
CASSELS BROCK & BLACKWELL LLP
NORTON ROSE FULBRIGHT CANADA LLP
DAVIES WARD PHILLIPS & VINEBERG LLP

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

Applicants

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

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PROCEEDING COMMENCED AT TORONTO

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