Court File No. CL-26-00000219-0000

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

FOURTH REPORT OF THE MONITOR

August 25, 2026

F T I
CONSULTING

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.

FOURTH 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. (together, the "**Applicants**") sought and obtained an 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 to May 25, 2026 (the "**Stay Period**") in favour of the Applicants and Baffinland Iron Mines LP ("**BIM LP**", and, together with the Applicants, the "**Debtors**") and appointing FTI Consulting Canada Inc. 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 Period in favour of the Debtors, an increase in the Administration Charge, and an increase in the D&O Charge.

3. On June 10, 2026, the Applicants sought and obtained a Second Amended and Restated Initial Order (the "**SARIO**") under the CCAA, *inter alia*, (i) extending the Stay Period in favour of the Debtors to August 28, 2026, (ii) authorizing the Debtors to pay pre-filing amounts to certain critical suppliers with the consent of the Monitor; (iii) 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 "**DIP Financing Agreement**") for the 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 (defined below) should be approved (the "**June 30 Hearing**").

4. Following the granting of the SARIO at the hearing on June 10, 2026, Oaktree Capital Management, LP and Hartree Partners, LP (the "**First Secured Lenders**"), 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**"), the DIP Lender, and the Debtors, 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.

5. On June 26, 2026, the Senior Secured Lenders, the DIP Lender and the Debtors 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.

6. At the June 30 Hearing, the DIP Settlement Agreement was approved pursuant to an order of the Court (the "**Settlement Approval Order**") and the EDC DIP Facility was approved on a final basis.

7. At a hearing on July 29, 2026 (the "**July 29 Hearing**"), the Applicants sought and obtained an order (the "**CRO Appointment Order**"), *inter alia*, (i) approving the CRO Engagement Letter, pursuant to which the Debtors engaged BlueTree Advisors Inc. to provide the services of William E. Aziz as chief restructuring officer of the Debtors (the "**CRO**") and appointing the CRO pursuant to the terms thereof; (ii) granting the CRO Fee Charge and the CRO Tiered Success Fee Charge; and (iii) authorizing the CRO to (a) enter into and execute, in the name of and on behalf of the Debtors, any non-disclosure agreements with interested parties in order to facilitate a SISP (defined below), and (b) assist the Debtors in arranging for site visits. A copy of the CRO Appointment Order and the endorsement of Justice Steele dated July 29, 2026, are attached hereto as **Appendices "A"** and **"B"**, respectively.

8. This fourth report of the Monitor (the "**Fourth Report**") has been prepared to inform the Court of the following:

(a) Certain key activities of the Monitor and the Debtors since the July 29 Hearing;

(b) The Debtors' actual cash receipts and disbursements for the period of July 18, 2026 to August 14, 2026, and a comparison to the June Forecast (defined below), along with an updated cash flow forecast for the period ending December 11, 2026 (the "**August Forecast**");

(c) The status of the process conducted to date by the Monitor (the "**Offtake Solicitation Process**"), involving the Debtors, to solicit offers for an offtake provider for the Mine, given the upcoming expiration of the Offtake Arrangement (defined below) in October 2026;

(d) An update on the process conducted by the Monitor in accordance with the terms of the DIP Settlement Agreement (the "**Transaction Advisor Selection Process**"), involving the DIP Lender, the Senior Secured Lenders and the Debtors (through the Debtors' operating committee (the

"**Operating Committee**")), to interview potential transaction advisors (collectively, the "**Transaction Advisor Candidates**") identified in the Side Letter[1] who will assist the Debtors with a sale and investment solicitation process ("**SISP**") that led to the selection of the Proposed Transaction Advisor (defined below) as Transaction Advisor, subject to approval of the Court;

(e) The Applicants' motion for:

(i) an omnibus order (the "**Transaction Advisor Approval and Stay Extension Order**"), providing, *inter alia*, for the following:

A. The approval of the agreement dated August 13, 2026 (together with the indemnity agreement attached thereto, the "**Transaction Advisor Engagement Letter**"), pursuant to which Morgan Stanley Canada Limited has been engaged by the CRO, on behalf of NIO and BIM, to act as Transaction Advisor of the Debtors (the "**Proposed Transaction Advisor**") for the purposes of carrying out the SISP, as agreed to by the DIP Lender and the Senior Secured Lenders, with the support of the Monitor, *nunc pro tunc*;

B. The approval of the execution of the Transaction Advisor Engagement Letter by the CRO on behalf of NIO and BIM, *nunc pro tunc*;

C. The retention of the Proposed Transaction Advisor pursuant to the terms of the Transaction Advisor Engagement Letter;

[1] Two of the potential candidates for Transaction Advisor identified in the Side Letter declined to participate in the interview process. As such, an additional Transaction Advisor Candidate not included in the Side Letter was also interviewed. The term "Transaction Advisor Candidates" refers to the candidates that interviewed for the position of Transaction Advisor.

D. The granting of a charge (the "**Transaction Advisor Fee Charge**") over the Debtors' Property to secure the Advisory Fee, the Announcement Fee and the Expenses (each as defined below), that ranks *pari passu* with the Administration Charge and the CRO Fee Charge granted in the CCAA Proceedings, in the maximum amount of the aggregate of the Advisory Fee, the Announcement Fee and the Expenses;

E. The granting of a charge (the "**Transaction Advisor Transaction Fee Charge**") over the Debtors' Property to secure the Transaction Fee or the Termination Fee (each as defined below), as applicable, that ranks subordinate to the Administration Charge, the CRO Fee Charge, the D&O Charge and the DIP Charge granted in the CCAA Proceedings and in priority to the CRO Tiered Success Fee Charge and all other Encumbrances, in the maximum amount of the Transaction Fee or Termination Fee, as applicable;

F. The redacting and sealing of certain commercially sensitive terms of the Transaction Advisor Engagement Letter (as set out in the Confidential Exhibit to the First Aziz Affidavit); and

G. Extending the Stay Period to December 11, 2026; and

(f) The recommendation of the Monitor in respect of the above.

TERMS OF REFERENCE

9. In preparing this Fourth Report, the Monitor has relied upon unaudited financial information of the Debtors, the Debtors' books and records, certain financial information prepared by the Debtors and discussions with various parties (the "**Information**").

10. Except as otherwise described in this Fourth Report:

(a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Fourth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

11. The Monitor has prepared this Fourth Report in connection with the Applicants' motion for the Transaction Advisor Approval and Stay Extension Order and this Fourth Report should not be relied on for any other purpose.

12. Future oriented financial information reported or relied on in preparing this Fourth Report is based on the assumptions of the management of the Debtors ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.

13. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. This Fourth Report should be read in conjunction with the pre-filing report of FTI in its then capacity as proposed monitor dated May 14, 2026; the Monitor's first report to the Court dated May 22, 2026; the Monitor's second report to the Court dated June 4, 2026 (the "**Second Report**"); the first supplement to the Second Report dated June 9, 2026; the second supplement to the Second Report dated June 29, 2026; the Monitor's third report to the Court dated July 26, 2026 (the "**Third Report**"); the SARIO; the affidavit of Celeste van Tonder, sworn May 14, 2026 (the "**First van Tonder Affidavit**"); and the affidavit of William E. Aziz, sworn August 23, 2026 in support of the Transaction Advisor Approval and Stay Extension Order (the "**First Aziz Affidavit**" and, collectively with materials listed above, the "**Court Materials**"). Copies of the Court Materials can be found on the Monitor's website. A copy of the Third Report is also attached hereto (without appendices) as **Appendix**

"C". Capitalized terms not otherwise defined herein have the meanings given to them in the Court Materials, as applicable.

EXECUTIVE SUMMARY

14. The Monitor is of the view that:

(a) The retention of the Proposed Transaction Advisor as Transaction Advisor of the Debtors is necessary and appropriate in the circumstances and the Transaction Advisor Selection Process followed by the Monitor described herein in accordance with the DIP Settlement Agreement was fair and reasonable;

(b) The Monitor supports the retention of the Proposed Transaction Advisor and is of the view that the Proposed Transaction Advisor is well qualified to assist the CRO, the Debtors, the Court and all stakeholders with administering the SISP;

(c) The terms of the Transaction Advisor Engagement Letter, including the responsibilities of the Proposed Transaction Advisor set out therein, are reasonable and appropriate, and are appropriately tailored to the circumstances of the CCAA Proceedings;

(d) The Advisory Fee is commercially reasonable considering the size and complexity of the Debtors' business and, as a result, the complexity of the CCAA Proceedings;

(e) The Transaction Fee and the Announcement Fee are reasonable in the circumstances considering they are only payable on the closing of, or Court approval of, a Transaction (defined below), respectively;

(f) The Termination Fee is reasonable considering it is only payable if an agreed upon Transaction is not consummated and the Debtors receive a Reverse Breakup Fee;

(g) The quantum and ranking of the proposed Transaction Advisor Fee Charge and Transaction Advisor Transaction Fee Charge are appropriate in the circumstances, and the Monitor understands that the DIP Lender and the Senior Secured Lenders are supportive of the Transaction Advisor Fee Charge and Transaction Advisor Transaction Fee Charge; and

(h) The extension of the Stay Period to December 11, 2026 is appropriate to allow for the continuation of the efforts to organize and implement a SISP afforded by the CCAA Proceedings, to allow the Debtors, the Transaction Advisor, the CRO and the Monitor to progress sale process matters and for a SISP to be finalized and brought before the Court for approval. The Monitor is also of the view that the Debtors have been acting in good faith and with due diligence in these CCAA Proceedings.

15. Accordingly, the Monitor respectfully recommends that the Applicants' request for the Transaction Advisor Approval and Stay Extension Order be granted by this Honourable Court.

CERTAIN ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

16. In accordance with its duties as outlined in the SARIO and its prescribed rights and obligations under the CCAA, the activities of the Monitor since the July 29 Hearing have included the following:

(a) participating in regular discussions with the Debtors and their legal counsel regarding, among other things, the CCAA Proceedings, communications with stakeholders and business operations;

(b) participating in regular discussions with the DIP Lender, the Senior Secured Lenders and the Debtors regarding the Debtors' business operations and the Transaction Advisor Selection Process;

(c) facilitating the Offtake Solicitation Process, as described in greater detail below;

(d) facilitating the Transaction Advisor Selection Process, as described in greater detail below;

(e) attending certain meetings of the Operating Committee;

(f) assisting the Debtors with communications with employees, key suppliers, creditors, government entities, and other stakeholders, including certain lien claimants of the Debtors;

(g) engaging in discussions with the Qikiqtani Inuit Association;

(h) attending a site visit at the Mine, along with the Proposed Transaction Advisor and the CRO and certain representatives of the Debtors;

(i) engaging in comprehensive discussions with the CRO, including reviewing cash flows and payables and assisting with stakeholder communications;

(j) monitoring the purchase orders, cash receipts and disbursements of the Debtors, including draws on the EDC DIP Facility;

(k) engaging in comprehensive discussions with the CRO, the Debtors and the Transaction Advisor in respect of the ongoing development of the SISP;

(l) assisting the Debtors with communicating with suppliers to coordinate the shipping of fuel, equipment and supplies to the Mine during the Sealift Season (defined below);

(m) responding to stakeholder enquiries regarding the CCAA Proceedings;

(n) maintaining and uploading documents to the Monitor's website;

(o) posting an updated service list for the CCAA Proceedings on the Monitor's website; and

(p) preparing this Fourth Report.

17. As set out in further detail in the Third Report, the Monitor is assisting the Debtors with shipping during the July-to-October shipping season (the "**Sealift Season**"). During the 2026 Sealift Season, (i) Inbound Fuel must be shipped to the Mine on three Fuel Vessels; (ii) Inbound Supplies and Inventory must be shipped to the Mine on two Supplies Vessels; and (iii) Outbound Iron Ore must be shipped to the End Customers.

18. As of the date of this Fourth Report, the Monitor has been advised that the Sealift Season continues to progress with the following activities:

(a) **Inbound Fuel:** The delivery of the Inbound Fuel on the first Fuel Vessel was completed on August 12, 2026; the delivery of the Inbound Fuel on the second Fuel Vessel is expected to be completed by September 2, 2026; and the delivery of the Inbound Fuel on the third Fuel Vessel is expected to be completed by September 26, 2026;

(b) **Inbound Supplies and Inventory:** The first Supplies Vessel left the Port of Valleyfield in Quebec on July 17, 2026 and arrived in Baffin Island on July 26, 2026; and the second Supplies Vessel is expected to depart the Port of Valleyfield on September 20, 2026; and

(c) **Outbound Iron Ore:** Outbound Iron Ore is expected to be transported to End Customers on approximately 48 ships during the Sealift Season. The Debtors commenced shipping operations for Outbound Iron Ore on July 29, 2026 and the last shipment is expected to depart Baffin Island in early October 2026, subject to weather and ice conditions. As of the date of this Fourth Report, approximately 1.6 million tonnes, or 40% of the total Outbound Iron Ore shipping volume, has been transported to End Customers.

RECEIPTS AND DISBURSEMENTS FOR THE PERIOD ENDED AUGUST 14, 2026 AND THE AUGUST FORECAST

Receipts and Disbursements for the period ended August 14, 2026

19. The Second Report included a cash-flow forecast for the period of May 30, 2026 to August 28, 2026, which was attached as Appendix "C" to the Second Report (the "**June Forecast**").

20. The Debtors' actual net cash outflow for the 4-week period from July 18, 2026 to August 14, 2026 was $86.7 million, compared to a forecasted net cash outflow of approximately $47.7 million, as set out in the June Forecast, representing a negative variance of approximately $39.0 million as summarized below:

Period *Figures in USD $ millions*	4-week Period Ended August 14, 2026 Budget	 Actual	 Variance
Receipts			
Total Receipts	9.6	27.7	18.1
Total Commercial Payments	(8.2)	(14.7)	(6.5)
Net Commercial Receipts	**1.4**	**13.0**	**11.6**
Operating Disbursements			
Labour	(12.6)	(11.8)	0.8
Vendor Payments	(10.5)	(10.0)	0.5
Sealift Purchases	(10.7)	(59.3)	(48.6)
Equipment Leases	(0.2)	(0.5)	(0.3)
Sustaining Capital Costs	(3.0)	(7.1)	(4.1)
Total Operating & Sustaining Capital Costs	**(37.0)**	**(88.7)**	**(51.7)**
Overhead Costs	(3.0)	(1.7)	1.3
Exploration Costs	(2.0)	(2.2)	(0.2)
Steensby Project Costs	(1.3)	(1.1)	0.2
Other Costs	(3.8)	(1.6)	2.2
Professional Fees (CCAA)	(2.0)	(4.4)	(2.4)
Net Cash Flow	**(47.7)**	**(86.7)**	**(39.0)**
Cash			
Beginning Balance (excl. Restricted Cash)	20.0	89.7	69.7
Net Cash Flow	(47.7)	(86.7)	(39.0)
Debt Advances (Repayments)	47.7	42.2	(5.5)
Ending Balance	**20.0**	**45.2**	**25.2**

21. Explanations for the key variances are as follows:

(a) **Net Commercial Receipts:** there is positive variance in net commercial receipts of $11.6 million that consists of a positive timing variance of $18.1 million in shipping receipts and freight reimbursements that were received two weeks ahead of forecast, partially offset by a negative timing variance in commercial freight payments for cargo ships that arrived earlier-than-forecast and a negative permanent variance driven by higher-than-forecast freight pricing.

(b) **Sealift Purchases:** there is a negative timing variance of $48.6 million for Sealift Purchases that is primarily driven by disbursements for two Fuel Vessels that were made during this four-week period which were forecast to be made outside this period, including: (i) unwinding of a disbursement for the first Fuel Vessel carrying Inbound Fuel that was forecast to be made in the previous reporting period and which led to a positive timing variance of $23 million in the previous period; and (ii) a disbursement for the second Fuel Vessel carrying Inbound Fuel that was forecast to be made in a subsequent reporting period but was paid during this period, leading to a negative timing variance of $22 million. The disbursement for the third Fuel Vessel carrying Inbound Fuel is included in the August Forecast.

(c) **Sustaining Capital Costs:** there is a negative timing variance of $4.1 million that is driven by the unwinding of positive timing variances in the previous reporting period as the Company processed capital cost disbursements in order to maximize the amount of supplies shipped on the second Supplies Vessel that is scheduled to depart in late August.

(d) **Other Costs:** there is a positive timing variance of $2.2 million that is driven by certain cash disbursement costs that were deferred to a future period.

(e) **Professional Fees (CCAA):** there is a negative permanent variance of $2.4 million that is in part driven by the payment of legal and financial advisory fees for the Senior Secured Lenders pursuant to the terms of the DIP Settlement Agreement. These fees were not included in the June Forecast.

(f) **DIP Advances:** There is a timing variance of $5.5 million with respect to DIP Advances as the Debtors have drawn on the DIP Facility less than forecast due to the higher opening cash from the previous reporting period.

August Forecast

22. In this Fourth Report, the Monitor also sets out the August Forecast for the 17-week period from August 15, 2026 to December 11, 2026.

23. The August Forecast, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix "D"**. The August Forecast shows a net cash outflow of approximately $107.9 million for the 17-week period of August 15, 2026, to December 11, 2026, and is summarized below:

Cash Flow Forecast	
($USD in millions)	***Forecast***
Net Commercial Receipts	**98.9**
Operating Disbursements	
Labour	(47.0)
Vendor Payments	(52.1)
Sealift Purchases	(17.6)
Equipment Leases	(1.3)
Sustaining Capital Costs	(22.7)
Overhead Costs	(13.1)
Exploration Costs	(3.8)
Steensby Project Costs	(16.1)
Other Costs	(11.0)
Professional Fees (CCAA)	(22.2)
Net Cash Flow	**(107.9)**
Cash	
Beginning Balance (excl. Restricted Cash)	45.2
Net Cash Flow	(107.9)
Debt Advances (Repayments)	95.7
Ending Cash Balance	**33.0**
DIP Financing	
Beginning Balance	181.8
Debt Advances (Repayments)	95.7
Accrued Fees	3.6
Ending Balance	**281.1**

24. As of August 14, 2026, the Debtors have requested and received advances under the EDC DIP Facility of approximately $179.6 million. The August Forecast demonstrates that the Debtors, with the support of the EDC DIP Facility, should have sufficient liquidity to fund the CCAA Proceedings to December 11, 2026. During the period of the August Forecast, the Monitor anticipates that the Debtors will receive an additional $95.7 million in advances under the EDC DIP Facility during the period of August 15, 2026 to December 11, 2026.

25. The DIP Financing Agreement required the borrowers under the EDC DIP Facility to have received an order approving a SISP (a "**SISP Order**") prior to the date that is 60 days following the date of the SARIO (i.e. prior to the date that is 60 days following June 11, 2026). Accordingly, on August 13, 2026, the Debtors and the DIP Lender entered into a First Amendment and Waiver to DIP Facility Loan Agreement (the "**First DIP Amendment and Waiver**"), a copy of which is attached hereto as **Appendix "E"**. Pursuant to the First DIP Amendment and Waiver, the DIP Lender agreed to waive any Event of Default arising from this obligation with no fee, subject to compliance with the August Milestones, which included obtaining a SISP Order by August 27, 2026.[2]

26. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:

(a) The August Forecast has been prepared by Management of the Debtors for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 1 to 11 thereof;

[2] The "**August Milestones**" are defined in the DIP Amendment and Waiver and include the requirement that (a) the SISP Order is obtained on or before August 27, 2026; (b) the Transaction Advisor Engagement Letter was entered into by August 14, 2026; (c) an NDA acceptable to the DIP Lender is distributed to all potentially interested parties recommended by the Transaction Advisor by August 21, 2026; and (d) site visits are made available to all interested parties who have executed an NDA and who the Transaction Advisor has recommended by no later than September 30, 2026. As a SISP Order will not be obtained by August 27, 2026, the Monitor understands that the Debtors have requested an extension to the deadline to obtain such Order.

(b) The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of Management and employees of the Debtors. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the August Forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the August Forecast;

(c) Based on its review, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:

(i) The hypothetical assumptions are not consistent with the purpose of the August Forecast;

(ii) As at the date of this Fourth Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the August Forecast, given the hypothetical assumptions; or

(iii) The August Forecast does not reflect the probable and hypothetical assumptions;

(d) Since the August Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the August Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Fourth Report, or relied upon by the Monitor in preparing this Fourth Report; and

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

OFFTAKE SOLICITATION PROCESS

27. As described in the First van Tonder Affidavit, the Mine's remote location limits the shipping of its product to approximately three to four months per year, preventing the Debtors from relying solely on its sales agreements to end customers to generate year-round cash flow. To address this constraint, BIM, as general partner for and on behalf of BIM LP, is currently party to an offtake arrangement (the "**Offtake Arrangement**") with IRH Global Trading Ltd. ("**IRH**"). This Offtake Arrangement is the Debtors' primary source of operating cash-flow.

28. The Offtake Arrangement with IRH is entered into annually, and the current term expires on October 31, 2026.

29. In advance of the expiration of the Offtake Arrangement, negotiations commenced with IRH regarding the renewal of the Offtake Arrangement and the terms of such renewal.

30. To ensure that any such renewal of the Offtake Arrangement is on commercially reasonable terms and to canvass the market for other potential offtake providers, the Monitor, in consultation with the CRO and the Debtors, has also commenced the Offtake Solicitation Process, which has thus far consisted of the following:

(a) On July 30, 2026, the Monitor sent a process letter (the "**Offtake Process Letter**") to five parties (including IRH), known to the Debtors as having an interest in acting as an offtake provider to the Debtors (the "**Offtake Candidates**"). In the Offtake Process Letter, the Monitor requested that parties confirm their interest by August 5, 2026 at 5:00 p.m. (the "**Offtake Interest Deadline**");

(b) Prior to the Offtake Interest Deadline, all five Offtake Candidates expressed an interest in participating in the Offtake Solicitation Process;

(c) On August 5, 2026, the Monitor sent each of the Offtake Candidates, other than IRH,[3] an NDA for execution and, where applicable, entered into negotiations with the Offtake Candidates regarding the NDA. The Monitor entered into NDAs with all four of these Offtake Candidates;

(d) Following receipt of an executed NDA from an Offtake Candidate, the Monitor provided the Offtake Candidate with a draft term sheet;

(e) On August 6, 2026 and August 7, 2026, the Monitor advised the Offtake Candidates that the deadline to submit a non-binding LOI term sheet was August 12, 2026 (the "**Offtake LOI Deadline**");

(f) On August 10, 2026, the Monitor advised the candidates that the Offtake LOI Deadline had been extended to August 14, 2026;

(g) Prior to the Offtake LOI Deadline, the Monitor responded to inquiries received from the Offtake Candidates; and

(h) On or prior to the Offtake LOI Deadline, the Monitor received a number of non-binding LOI term sheet proposals (the "**Offtake Proposals**").

31. The Monitor is currently reviewing the Offtake Proposals in consultation with the CRO and Management. The Monitor intends to provide an update on the Offtake Solicitation Process in its upcoming reports.

[3] An NDA with IRH was not necessary given its position as the current offtake provider. Similar to the other Offtake Candidates, IRH received a draft term sheet as part of the Offtake Solicitation Process.

TRANSACTION ADVISOR SELECTION PROCESS

32. As set out in the Third Report, the DIP Settlement Agreement provided that the Monitor would conduct the Transaction Advisor Selection Process and a Transaction Advisor would 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.

33. The details of the Transaction Advisor Selection Process conducted by the Monitor prior to the date of the Third Report are set out in the Third Report.

34. Following the date of the Third Report, the Monitor was advised that the DIP Lender and the Senior Secured Lenders had unanimously selected the Proposed Transaction Advisor for the position of Transaction Advisor. The Monitor was also advised that the Operating Committee agreed with the selection of the Proposed Transaction Advisor.

35. Following the selection of the Proposed Transaction Advisor in accordance with the DIP Settlement Agreement, the Monitor facilitated the negotiation of the Transaction Advisor Engagement Letter amongst the Proposed Transaction Advisor, the CRO, the Debtors, the Senior Secured Lenders and the DIP Lender.

36. On August 13, 2026, the CRO and the Proposed Transaction Advisor entered into the Transaction Advisor Engagement Letter.

37. The Monitor is currently engaged in discussions with the CRO, the Proposed Transaction Advisor and a number of stakeholders with respect to the terms of a SISP. It is intended that approval of a SISP will be sought in the near term.

38. As described in the Third Report, there is a limited window for potential bidders to visit the Mine and participate in helicopter tours of the Mine, the proposed route for the Steensby Railway and the proposed site for the Steensby Port. Recognizing this, immediately following the execution of the Transaction Advisor Engagement Letter, the Proposed Transaction Advisor, in conjunction with the CRO and the Monitor, commenced certain pre-SISP steps to progress matters in advance of seeking SISP approval, including:

(a) Attending a site visit to the Mine with the Monitor, the CRO and certain members of Management;

(b) Engaging in discussions with Management, the Monitor and the CRO regarding the SISP to familiarize itself with the Mine and the Debtors' business and to permit the preparation of certain SISP documents to commence and other preparatory SISP steps to be taken;

(c) Developing an initial list of potentially interested parties; and

(d) Engaging in initial outreach activities with parties known to the Proposed Transaction Advisor or the Debtors as having an interest in participating in the SISP, including distributing NDAs as appropriate.[4]

The Transaction Advisor Engagement Letter

39. The Transaction Advisor Engagement Letter includes the duties of the Transaction Advisor, including, among other things:

(a) Advising on the draft form of SISP document;

[4] To ensure an effective SISP, the CRO Appointment Order permits the CRO to enter into NDAs with parties interested in participating in the SISP and to assist the Debtors in arranging for site visits. This will allow these parties to visit the Mine and participate in site tours, even prior to approval of a SISP by the Court, given the limited season available for safely conducting such visits and site tours.

(b) Preparing, in collaboration with NIO and BIM on an expedited basis, a confidential information memorandum or similar document and other relevant informational materials;

(c) Identifying and contacting prospective purchasers and soliciting and assisting in evaluating indications of interest and proposals among prospective purchasers;

(d) Coordinating potential purchasers' due diligence with the assistance of the Monitor and NIO and BIM, including in connection with site visits;

(e) Assisting in structuring and negotiating the sale and the terms of the consideration;

(f) Assisting in matters associated with closing a Transaction[5] generally provided by financial advisors;

(g) Providing affidavit evidence, if requested by NIO and BIM, in connection with any motion brought by NIO and BIM and/or its subsidiaries for approval of a Transaction identified in the SISP; and

[5] "**Transaction**" is defined in the Transaction Advisor Engagement Letter to mean any of the following completed transactions, arrangements, or series of related transactions or arrangements completed through a SISP to be approved by the Court in the CCAA Proceedings of NIO and BIM: (a) any sale, transfer, assignment, conveyance, credit bid or other disposition of all or substantially all of the assets, property, undertaking, or business of NIO and BIM and/or its subsidiaries, whether by way of asset sale, share sale, merger, amalgamation, arrangement, or otherwise including a reverse vesting order transaction, including by way of stalking horse bid or similar transaction; (b) any recapitalization, restructuring, refinancing, reorganization, compromise, or arrangement of the debt, equity, or other obligations or liabilities of NIO and BIM and/or its subsidiaries, including any plan of arrangement, plan of compromise, or plan of reorganization under applicable insolvency or restructuring legislation pursuant to which one or more parties directly or indirectly acquires control of all or substantially all of the assets of NIO and BIM and/or its subsidiaries; and (c) any combination of the foregoing, regardless of the form or structure through which such transaction is effected. Notwithstanding the foregoing, for the purposes of this letter agreement, "Transaction" does not include any transactions, arrangements, or series of related transactions or arrangements, whether implemented pursuant to the current CCAA Proceedings of NIO and BIM and/or its subsidiaries or alternative process, through which the Senior Secured Lenders (or any one of them) acquire, directly or indirectly, 50.1% or more of the assets or equity interests of the Company and/or its subsidiaries (a "**Senior Secured Lender Restructuring**"), unless: (i) an offer was received in "phase 2" of the SISP, which the CRO and the Monitor believe is actionable and likely could result in a consummated Transaction (the "**Viable Third Party Bid**"), and (ii) despite receiving such Viable Third Party Bid, the Senior Secured Lenders (or any one of them) elect to implement the Senior Secured Lender Restructuring.

(h) Providing any other investment banking and financial advisory services reasonably necessary to accomplish the foregoing and consummate a Transaction as requested by NIO and BIM and agreed to by the Proposed Transaction Advisor from time to time.

40. In relation to the amounts payable under the Transaction Advisor Engagement Letter, the Monitor notes that:

(a) The Proposed Transaction Advisor shall earn an advisory fee (the "**Advisory Fee**"), payable in advance of each quarter until the term of the engagement is completed;

(b) The Proposed Transaction Advisor shall be reimbursed for its reasonable out-of-pocket expenses incurred from time to time (the "**Expenses**"), provided that the amount of such Expenses for which the Proposed Transaction Advisor shall be entitled to reimbursement from the Debtors shall not exceed the specified amount set out in the Transaction Advisor Engagement Letter (exclusive of applicable taxes) in the aggregate per month, without the CRO's prior written consent, which consent shall not be unreasonably withheld;

(c) The Proposed Transaction Advisor shall be entitled to an announcement fee (the "**Announcement Fee**") in the amount set out in the Transaction Advisor Engagement Letter upon the Court approval of the Transaction;

(d) The Proposed Transaction Advisor shall be entitled to a transaction fee payable on the closing of a Transaction (the "**Transaction Fee**")[6] both in the case of a Transaction (other than a Senior Secured Lender Restructuring) and in the case of a Senior Secured Lender Restructuring that constitutes a Transaction (as a result of having received a Viable Third Party Bid) in the amounts set out in the Transaction Advisor Engagement Letter, which amounts shall increase if the value of the Transaction exceeds a specified threshold;[7] and

(e) The Proposed Transaction Advisor shall be entitled to a termination fee (the "**Termination Fee**")[8] in the amount set out in the Transaction Advisor Engagement Letter if an agreed upon Transaction is not consummated and the Debtors receive compensation pursuant to the termination provisions contained in the definitive agreement relating to the Transaction (such compensation, a "**Reverse Breakup Fee**").[9]

41. A redacted copy of the Transaction Advisor Engagement Letter is attached hereto as **Appendix "F"** and an unredacted copy is attached as Confidential Exhibit "G" to the First Aziz Affidavit.

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[6] Any Advisory Fee, Announcement Fee or Termination Fee paid will be credited against the Transaction Fee, to the extent not previously credited.

[7] The Transaction Advisor Engagement Letter, including the Transaction Fee contemplated therein, contains confidential and commercially sensitive information, the disclosure of which could negatively impact the Transaction Advisor in future mandates. The Monitor supports the sealing of the fees and information set out in the Transaction Advisor Engagement Letter as the disclosure of these details could negatively affect the SISP and any potential Transaction.

[8] Any Advisory Fee, Announcement Fee or Termination Fee paid will be credited against the Transaction Fee, to the extent not previously credited.

[9] For purposes of calculating the Termination Fee, the Reverse Breakup Fee shall include (i) the fair value of any options granted to the Company pursuant to any cross-option agreement or comparable provision and (ii) any judgment for damages, amounts or other consideration received by the Company in settlement of any dispute as a result of the termination or other failure to consummate the Transaction. The Termination Fee will become payable and will be paid by the Company upon its receipt of the Reverse Breakup Fee.

THE TRANSACTION ADVISOR APPROVAL AND STAY EXTENSION ORDER

APPOINTMENT OF TRANSACTION ADVISOR

The Proposed Transaction Advisor

42. The Transaction Advisor Approval and Stay Extension Order seeks the approval of the Transaction Advisor Engagement Letter, the retention of the Proposed Transaction Advisor as Transaction Advisor and the approval of the Transaction Advisor Fee Charge and the Transaction Advisor Transaction Fee Charge.

43. The Proposed Transaction Advisor is a leading global mining M&A advisor and has completed 169 mining M&A transactions since December 2005. The Proposed Transaction Advisor has been an advisor on many significant mining transactions including recently acting as joint financial advisor to Anglo American in the sale of its steelmaking coal business for approximately $5 billion. The Proposed Transaction Advisor also has had a longstanding and uninterrupted presence in Canada going back to the 1960s and has offices across the country.

44. The Monitor is of the view that the retention of the Proposed Transaction Advisor should be approved in accordance with the Transaction Advisor Approval and Stay Extension Order. The Monitor believes that the appointment of the Proposed Transaction Advisor is necessary and appropriate in the circumstances based on feedback from the parties to the DIP Settlement Agreement who all support the appointment. It is also a crucial next step in these CCAA Proceedings leading towards a robust SISP intended to maximize the value of the business for the benefit of all stakeholders.

The Transaction Advisor Engagement Letter

45. The Transaction Advisor Approval and Stay Extension Order seeks the approval of the Transaction Advisor Engagement Letter, which is described above.

46. The Monitor is of the view that the scope of the services and the fees contemplated under the Transaction Advisor Engagement Letter are appropriate and tailored to the circumstances, and that the terms of the Transaction Advisor Engagement Letter are otherwise reasonable and consistent with comparable engagements. The Monitor notes that the CRO, the Debtors, the DIP Lender and the Senior Secured Lenders all support the appointment of the Proposed Transaction Advisor as Transaction Advisor and the approval of the Transaction Advisor Engagement Letter.

The Transaction Advisor Fee Charge & the Transaction Advisor Transaction Fee Charge

47. In the Transaction Advisor Approval and Stay Extension Order, the Applicants are seeking a Transaction Advisor Fee Charge over the Debtors' Property in the maximum amount of the aggregate of the Advisory Fee, the Announcement Fee and the Expenses. The Transaction Advisor Fee Charge shall rank *pari passu* with the Administration Charge and the CRO Fee Charge.

48. In the Transaction Advisor Approval and Stay Extension Order, the Applicants are also seeking a Transaction Advisor Transaction Fee Charge over the Debtors' Property in the maximum amount of the Transaction Fee or the Termination Fee, as applicable, which charge shall rank subordinate to the Administration Charge, the CRO Fee Charge, the D&O Charge and the DIP Charge granted in the CCAA Proceedings and in priority to the CRO Tiered Success Fee Charge and all other Encumbrances.

49. The Monitor is of the view that the quantum and ranking of the Transaction Advisor Fee Charge and the Transaction Advisor Transaction Fee Charge are reasonable and appropriate in the circumstances. The Transaction Advisor Fee Charge and Transaction Advisor Transaction Fee Charge will provide certainty to the Transaction Advisor that payments will be paid in accordance with the terms of the Transaction Advisor Engagement Letter. The proposed ranking of the Transaction Advisor Transaction Fee Charge does not contemplate ranking in priority to any of the existing Charges (or the Transaction Advisor Fee Charge) other than the CRO Tiered

Success Fee Charge. The Transaction Advisor Fee Charge is proposed to rank *pari passu* with the Administration Charge as the Transaction Advisor will similarly be facilitating the CCAA Proceedings.

50. The Monitor understands that the DIP Lender and the Senior Secured Lenders are supportive of the Transaction Advisor Fee Charge and the Transaction Advisor Transaction Fee Charge.

STAY EXTENSION

51. The Stay Period currently expires on August 28, 2026. Additional time is required for the Proposed Transaction Advisor, the CRO and the Monitor to engage in pre-SISP activities; for the Offtake Solicitation Process to be completed; to finalize, seek approval of and commence the SISP; for the CRO and the Debtors to engage with their stakeholders; and for the Debtors to continue the forward progression of the CCAA Proceedings. Accordingly, the Debtors now seek an extension of the Stay Period to December 11, 2026.

52. The August Forecast attached as Appendix "D" demonstrates that the Debtors, with the support of the EDC DIP Facility, should have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.

53. Based on the information currently available, the Monitor believes that circumstances exist that make the proposed extension of the Stay Period appropriate and that creditors of the Debtors would not be materially prejudiced by the proposed extension of the Stay Period.

54. The Monitor also believes that the Debtors have acted, and are acting, in good faith and with due diligence.

55. The Monitor therefore respectfully recommends that this Honourable Court grant the Debtors' request for an extension of the Stay Period to December 11, 2026.

NEXT STEPS IN THE CCAA PROCEEDINGS

56. The Monitor believes that the approval of the EDC DIP Facility, the appointment of the CRO and the requested appointment of the Proposed Transaction Advisor have provided and will continue to provide the Debtors and their stakeholders with the stability and breathing room necessary to continue the forward progression of these CCAA Proceedings towards an effective SISP which will maximize value for the Debtors' stakeholders.

57. The Monitor is of the view that it is important that the SISP be approved and commenced as soon as reasonably practicable and other steps in these CCAA Proceedings continue to be advanced. Recognizing this, the Monitor is facilitating negotiations with respect to a SISP, continues to advance discussions with respect to a key employee retention plan ("**KERP**"), and is continuing with the Offtake Solicitation Process. It is the Monitor's intention that the parties will return to Court in the near term to seek approval of the SISP and the KERP.

The Monitor respectfully submits to the Court this Fourth Report.

Dated this 25th day of August, 2026.

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

Jeffrey Rosenberg
Senior Managing Director

Greg Watson
Senior Managing Director

Appendix A

CRO Appointment Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 29TH
	)	
MADAM JUSTICE STEELE	)	DAY OF JULY, 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

ORDER

(CRO Appointment)

THIS MOTION, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, 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 approving the engagement of BlueTree Advisors Inc. to provide the services of William E. Aziz as Chief Restructuring Officer of the Debtors (the "**CRO**") was heard by zoom teleconference.

ON READING the affidavit of Jowdat Waheed sworn July 24, 2026 (the "**Waheed Affidavit**") and the Exhibits thereto, and the Third Report of FTI Consulting Canada Inc. (the "**Monitor**") dated July 26, 2026, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the lawyer's certificate of service, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record in respect of this Motion is hereby validated, so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Second Amended and Restated Initial Order granted by this Court on June 11, 2026 (the "**SARIO**") or in the Waheed Affidavit.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

3. **THIS COURT ORDERS** that the agreement dated as of July 23, 2026 pursuant to which the Debtors have engaged BlueTree Advisors Inc. ("**BlueTree**") to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Debtors (the "**CRO**") in accordance with the CRO Mandate described in Schedule "A" attached thereto, a copy of which is attached as **Exhibit "E"** to the Waheed Affidavit (the "**CRO Engagement Letter**"), the execution of the CRO Engagement Letter by the Debtors, *nunc pro tunc*, and the appointment of the CRO pursuant to the terms thereof is hereby approved, with such minor amendments to the CRO Engagement Letter as the Debtors and BlueTree, in consultation with the Senior Secured Lenders and EDC and with the consent of the Monitor, may deem necessary.

4. **THIS COURT ORDERS** that the Debtors shall (i) advise the CRO of all material steps taken by the Debtors in these proceedings, and (ii) cooperate fully with and provide the CRO with the assistance necessary to enable the CRO to exercise its powers and discharge its obligations under the CRO Engagement Letter, the CRO Mandate, this Order and any other orders issued in these proceedings.

5. **THIS COURT ORDERS** that the CRO shall consult with the Monitor regarding all material issues relating to the Business and these proceedings and shall cooperate 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 pursuant to the CCAA, the SARIO and any other orders issued in these proceedings.

6. **THIS COURT ORDERS** that none of BlueTree, any of their employees, directors, officers or shareholders, or the CRO, be or be deemed to be a director, *de facto* director, employee or trustee of the Debtors or any of their respective subsidiaries or affiliates, unless consented to in writing by such Person and approved by the Court.

7. **THIS COURT ORDERS** that neither BlueTree nor the CRO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation; provided, however, that if BlueTree or the CRO is nevertheless found to be in Possession of any such Property, then BlueTree and/or the CRO, as applicable, shall be entitled to the benefits and protections in relation to the Debtors and such Property as are provided to a monitor under Section 11.8(3) of

the CCAA; provided further, however, that nothing herein shall exempt BlueTree and/or the CRO from any duty to report or make disclosure imposed by law incorporated by reference in Section 11.8(4) of the CCAA.

8. **THIS COURT ORDERS** that neither BlueTree nor the CRO shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order, except either (i) as specified in the CRO Engagement Letter or to (ii) the extent such losses, claims, damages or liabilities result from the fraud, gross negligence or wilful misconduct on the part of BlueTree and/or the CRO as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.

9. **THIS COURT ORDERS** that no proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise against or in respect of Blue Tree or the CRO related to the performance of its duties and obligations under this Order, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of BlueTree, and/or the CRO, or with leave of this Court on notice to the Debtors, the Monitor and the CRO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Debtors, the Monitor and the CRO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

10. **THIS COURT ORDERS** that the obligations of the Debtors to BlueTree and the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA

or the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, in respect of the Debtors.

11. **THIS COURT ORDERS** that BlueTree and the CRO shall be paid their fees, costs and disbursements in accordance with the terms of the CRO Engagement Letter (the "**CRO Fees**") by the Debtors as part of the costs of these proceedings. The CRO Fees (excluding the Tiered Success Fee (as defined in the CRO Engagement Letter)) shall be secured by and are hereby granted a charge (the "**CRO Fee Charge**") over the Property, which charge shall not exceed an aggregate amount of US$1,000,000, as security for the obligations of the Debtors in respect of the CRO Fees (excluding the Tiered Success Fee) under the CRO Engagement Letter. The CRO Fee Charge shall have the priority set out in paragraph 14 herein.

12. **THIS COURT ORDERS** that any amounts payable to BlueTree and/or the CRO in respect of the Tiered Success Fee shall be secured by and are hereby granted a charge (the "**CRO Tiered Success Fee Charge**") over the Property, which charge shall be in the amount of the Tiered Success Fee under the CRO Engagement Letter, as security for the obligations of the Debtors in respect of the Tiered Success Fee under the CRO Engagement Letter. The CRO Tiered Success Fee Charge shall have the priority set out in paragraph 14 herein.

13. **THIS COURT ORDERS** that the CRO is hereby authorized to (i) enter into and execute, in the name of and on behalf of the Debtors, any non-disclosure agreements with interested parties in order to facilitate a sale and investment solicitation process in

respect of the Debtors and the Property, and (ii) assist the Debtors in arranging for site visits.

COURT-ORDERED CHARGES

14. **THIS COURT ORDERS** that paragraph 42 of the SARIO is hereby amended and deleted and replaced with the following:

> **"**42. **THIS COURT ORDERS** that the priorities of the Administration Charge, the CRO Fee Charge, the D&O Charge, the DIP Charge, and the CRO Tiered Success Fee Charge (collectively, the "**Charges**") and the Encumbrances securing the indebtedness, liabilities and obligations owing under the Senior Secured Debt Documents (as defined in the CRO Engagement Letter) (the "**Senior Secured Lender Security**") as among them, shall be as follows:
>
> > *First* – the Administration Charge (to the maximum amount of US$5 million) and the CRO Fee Charge (to the maximum amount of US$1,000,000), on a *pari passu* basis;
> >
> > *Second* – the D&O Charge (to the maximum amount of US$20.4 million);
> >
> > *Third* – the DIP Charge (to the maximum amount of the DIP Obligations then outstanding);

> *Fourth* – the Senior Secured Lender Security (to the maximum amount of the indebtedness, liabilities and obligations owing under the Senior Secured Debt Documents then outstanding); and
>
> *Fifth* – the CRO Tiered Success Fee Charge (in the amount of the Tiered Success Fee under the CRO Engagement Letter)."

15. **THIS COURT ORDERS** that, to the extent applicable, the CRO shall be entitled to the benefit of paragraphs 43 to 47 of the SARIO.

GENERAL

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **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.

18. **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

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

ORDER
(CRO Appointment)

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Lawyers for the Applicants and Baffinland Iron Mines LP

Appendix B

Endorsement of Justice Steele dated July 29, 2026

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000219-0000 **DATE: July 29, 2026**

NO. ON LIST: 3

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:

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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE STEELE:

[1] The applicant brings a motion for the granting of an order, among other things, approving the CRO Engagement Letter to engage Mr. Aziz as the Chief Restructuring Officer ("CRO"), and the proposed CRO fees and charges.

[2] No one objects to the order sought.

[3] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in the applicants' factum.

[4] I am satisfied that the relief sought should be granted.

[5] The secured creditors, the Debtors, the DIP Lender, and the Monitor all support the proposed CRO appointment. The proposed CRO was selected following a process conducted by the Monitor that had been agreed upon by the Debtors, EDC and the Senior Secured Lenders. The Monitor confirms that the process for the CRO selection was fair and reasonable.

[6] Under section 11 of the CCAA, the Court has jurisdiction to make such an order and has on numerous prior occasions: See for example, *Boreal Capital Partners Ltd et al (Re)*, 2021 ONSC 7802, *JTI-Macdonald Corp., Re*, 2019 ONSC 1625, and *The Cannabist Company Holdings Inc. et al*, 2026 ONSC 2063, at paras. 17-21.

[7] In determining whether to approve the appointment of a CRO, Courts have considered numerous factors, including the following:

(a) The complexity of the debtor's business and of the CCAA proceeding;

(b) Whether a CRO would assist the existing management team in operating the debtor's business;

(c) Whether the process for selecting the CRO was fair and appropriate;

(d) Whether the proposed CRO has industry knowledge, is independent from stakeholders, and has a significant reputation and restructuring expertise;

(e) Whether the costs associated with the appointment and work of the proposed CRO are reasonable; and

(f) Whether the Monitor supports the appointment.

[8] As noted in para. 27 of the applicants' factum consideration of the above factors leave no doubt that it is appropriate for the court to approve the appointment of the CRO in the instant case.

[9] Blue Tree and Mr. Aziz have represented and warranted that they have the necessary knowledge, experience and skill to carry out the CRO Mandate, and that they will act honestly, in good faith and in a professional, competent and diligent manner in fulfilling the CRO Mandate. Mr. Aziz has acted as CRO in numerous CCAA proceedings, including *Walter Energy Canada Holdings Inc.* and *JTI-Macdonald Corp.* (2019). He is highly experienced and well-qualified for the role of CRO.

[10] The process for selecting the CRO was fair, transparent and led by the Monitor. The Monitor supports the appointment and reports that the terms of the CRO Engagement Letter are otherwise reasonable and consistent with comparable engagements.

[11] The Debtors' operations are complex and require significant time and expertise to manage effectively. They operate a large-scale remote Arctic mining operation with about 1200 employees and numerous stakeholders. The Debtors are of the view that a CRO could take on helpful roles in connection with the CCAA proceedings, including engaging with stakeholders, and supporting a SISP, the anticipated next major step in this proceeding. With the assistance of the CRO, management capacity will be freed up so that the Debtors can focus on their mining operations.

[12] The compensation for BlueTree consists of: (a) a Work fee of $100,000 per month; and (b a Success Fee payable on closing or implementation of a Transaction, comprising a base component of US$500,000 plus a Tiered Success Fee. BlueTree's fees and disbursements are also secured by two charges: the CRO Fee Charge, which ranks *pari passu* with the Administration Charge, and the CRO Tiered Success Fee Charge, which ranks subordinate to the existing Charges and Encumbrances.

[13] Pursuant to s. 11.52(1) of the CCAA, on notice to affected secured creditors, "the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge – in an amount that the court considers appropriate – in respect of the fees and expenses of ... any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act". Subsection 11.52(2) of the CCAA permits the Court to order that such a charge rank in priority over the claims of any secured creditor.

[14] The Court set out the following factors for the Court to consider in determining whether to approve a charge under s. 11.52 of the CCAA in *RE Canwest Publishing Inc.*, 2010 ONSC 222 at para. 54:

(a) The size and complexity of the business being restructured;

(b) The proposed role of the beneficiaries of the charge;

(c) Whether there is unwarranted duplication of roles;

(d) Whether the quantum of the proposed charge appears fair and reasonable;

(e) The position of the secured creditors likely to be affected by the charge; and

(f) The position of the Monitor.

[15] For the reasons set out at paras 34-42 of the applicants' factum, I am satisfied that the *Canwest* factors weigh in favour of granting the CRO Fee Charge and the CRO Tiered Success Fee Charge. Among other things, the US$100,000 per month Work Fee is consistent with the rate previously approved by Courts for Mr. Aziz's CRO engagements and is consistent with market rates for someone with comparable experience. The Success Fee and Tiered Success Fee structure aligns BlueTree's incentives with those of the stakeholders. All the secured creditors impacted by the proposed charges were served with notice of the motion. They support the terms of the CRO Engagement Letter, the CRO Mandate and the proposed charges. The Monitor also supports the relief sought, including the proposed charges.

[16] Order to go in the form signed by me today, with immediate effect.

Date: Jul 29, 2026

Justice J. Steele

Appendix C

Third Report (without appendices)

Court File No. CL-26-00000219-0000

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

THIRD REPORT OF THE MONITOR

July 26, 2026

FTI CONSULTING

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.

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

INTRODUCTION

1. On May 15, 2026 (the "**CCAA Filing Date**"), Nunavut Iron Ore, Inc. ("**NIO**"), Baffinland Iron Mines Corporation ("**BIM**") and 12334992 Canada Inc. ("**123**", and together with NIO and BIM, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") granting, *inter alia*, a stay of proceedings (the "**Stay of Proceedings**") to May 25, 2026 in favour of the Applicants and Baffinland Iron Mines LP ("**BIM LP**", and, together with the Applicants, the "**Debtors**") and appointing FTI Consulting Canada Inc. 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, an increase in the Administration Charge, and an increase in the D&O Charge.

3. On June 10, 2026, 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 for the 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 (defined below) should be approved (the "**June 30 Hearing**").

4. Following the granting of the SARIO at the hearing on June 10, 2026, Oaktree Capital Management, LP and Hartree Partners, LP (the "**First Secured Lenders**"), 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**"), the DIP Lender, and the Debtors, 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.

5. On June 26, 2026, the Senior Secured Lenders, the DIP Lender and the Debtors 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.

6. At the June 30 Hearing, the DIP Settlement Agreement was approved pursuant to an order of the Court (the "**Settlement Approval Order**") and the EDC DIP Facility was approved on a final basis. A copy of the Settlement Approval Order and the

endorsement of Justice Steele dated June 30, 2026, are attached hereto as **Appendices "A"** and **"B"**, respectively.

7. This third report of the Monitor (the "**Third Report**") has been prepared to inform the Court of the following:

(a) Certain activities of the Monitor and the Debtors since the June 30 Hearing, including an update with respect to the ships that will bring supplies to the Mary River Mine (the "**Mine**") during the July-to-October shipping season (the "**Sealift Season**");

(b) The Debtors' actual cash receipts and disbursements for the period of May 30, 2026 to July 17, 2026, and a comparison to the June Forecast (defined below);

(c) The process conducted by the Monitor in accordance with the terms of the DIP Settlement Agreement (the "**CRO Selection Process**"), involving the DIP Lender, the Senior Secured Lenders and the Debtors (through the Operating Committee (defined below)), to interview the potential CROs identified in the Side Letter (defined below) (collectively, the "**CRO Candidates**") that led to the selection of the Proposed CRO (defined below) as Chief Restructuring Officer ("**CRO**"), subject to the approval of the Court;

(d) The status of the process conducted to date by the Monitor in accordance with the terms of the DIP Settlement Agreement (the "**Transaction Advisor Solicitation Process**"), involving the DIP Lender, the Senior Secured Lenders and the Debtors (through the Operating Committee), to interview potential transaction advisors (collectively, the "**Transaction

Advisor Candidates") identified in the Side Letter[1] who will assist the Debtors with a sale and investment solicitation process ("**SISP**");

(e) The Applicants' motion for the granting of an order (the "**CRO Approval Order**"), providing, *inter alia*, for the following:

(i) The approval of the agreement dated July 23, 2026, attached hereto as **Appendix "C"** (the "**CRO Engagement Letter**"), pursuant to which the Debtors have engaged BlueTree Advisors Inc. ("**BlueTree**") to provide the services of William E. Aziz, as agreed to by the DIP Lender and the Senior Secured Lenders, with the support of the Monitor, to act as CRO of the Debtors (the "**Proposed CRO**") including the mandate of the CRO described in Schedule "A" attached thereto (the "**CRO Mandate**");

(ii) The approval of the execution of the CRO Engagement Letter by the Debtors, *nunc pro tunc*;

(iii) The appointment of the Proposed CRO pursuant to the terms of the CRO Engagement Letter;

(iv) The granting of a charge (the "**CRO Fee Charge**") to secure certain fees, disbursements and costs of the CRO under the CRO Engagement Letter (other than the Tiered Success Fee (defined below)), that ranks *pari passu* with the Administration Charge over the Debtors' Property, up to the aggregate amount of $1,000,000;

(v) The granting of a charge (the "**CRO Tiered Success Fee Charge**") over the Debtors' Property to secure the obligations of the Debtors

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[1] Two of the potential candidates for Transaction Advisor identified in the Side Letter declined to participate in the interview process. As such, an additional Transaction Advisor Candidate not included in the Side Letter was also interviewed. The term "Transaction Advisor Candidates" refers to the candidates that interviewed for the position of Transaction Advisor.

in respect of the Tiered Success Fee, that ranks subordinate to the existing Charges and Encumbrances securing the indebtedness, liabilities and obligations owing under the Senior Secured Debt Documents (as defined in the CRO Engagement Letter) (the "**Senior Secured Lender Security**"), in the amount of the Tiered Success Fee under the CRO Engagement Letter;

(vi) The authority for the CRO to (a) enter into and execute, in the name of and on behalf of the Debtors, any non-disclosure agreements with interested parties in order to facilitate a SISP, and (b) to assist the Debtors in arranging for site visits; and

(f) The recommendation of the Monitor in respect of the above.

TERMS OF REFERENCE

8. In preparing this Third Report, the Monitor has relied upon unaudited financial information of the Debtors, the Debtors' books and records, certain financial information prepared by the Debtors and discussions with various parties (the "**Information**").

9. Except as otherwise described in this Third Report:

(a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Third Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

10. The Monitor has prepared this Third Report in connection with the Applicants' motion for the CRO Approval Order and this Third Report should not be relied on for any other purpose.

11. Future oriented financial information reported or relied on in preparing this Third Report is based on the assumptions of the management of the Debtors ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.

12. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. This Third Report should be read in conjunction with the pre-filing report of FTI in its then capacity as proposed monitor dated May 14, 2026; the Monitor's first report to the Court dated May 22, 2026; the Monitor's second report to the Court dated June 4, 2026; the first supplement to the Second Report dated June 9, 2026; the second supplement to the Second Report dated June 29, 2026 (the "**Second Supplement**"); the SARIO; the affidavit of Celeste van Tonder, sworn May 14, 2026 (the "**First van Tonder Affidavit**"); and the affidavit of Jowdat Waheed sworn July 24, 2026 in support of the CRO Approval Order (collectively, the "**Court Materials**"). Capitalized terms not otherwise defined herein have the meanings given to them in the Court Materials, as applicable. Copies of the Court Materials can be found on the Monitor's website. A copy of the Second Supplement (without appendices) is also attached hereto as **Appendix "D"**.

EXECUTIVE SUMMARY

13. The Monitor is of the view that:

    (a) The appointment of the Proposed CRO as CRO of the Debtors is necessary and appropriate in the circumstances and the process followed by the Monitor described herein in accordance with the DIP Settlement Agreement was fair and reasonable;

(b) The selection of the Proposed CRO is appropriate given the experience of the Proposed CRO in complex CCAA proceedings and the Senior Secured Lenders, the DIP Lender and the Debtors have all agreed on the selection of the Proposed CRO;

(c) The Monitor supports the appointment of the Proposed CRO and is of the view that the Proposed CRO is well qualified to assist the Debtors, the Court and all stakeholders as an independent Court Officer in furthering the objectives of the CCAA Proceedings;

(d) The CRO Engagement Letter, including the responsibilities and powers of the Proposed CRO set out in the CRO Mandate attached to the CRO Engagement Letter, is appropriately tailored to the circumstances of the CCAA Proceedings;

(e) The Work Fee (defined below) is commercially reasonable considering the size and complexity of the Debtors' business and, as a result, the complexity of the CCAA Proceedings;

(f) The Success Fee is reasonable in the circumstances considering it is only payable on the closing of a Transaction (defined below); and

(g) The quantum and ranking of the proposed CRO Fee Charge and CRO Tiered Success Fee Charge are appropriate in the circumstances, and the Monitor understands that the DIP Lender and the Senior Secured Lenders are supportive of the CRO Fee Charge and CRO Tiered Success Fee Charge.

14. Accordingly, the Monitor respectfully recommends that the Applicants' request for the CRO Approval Order be granted by this Honourable Court.

CERTAIN ACTIVITIES OF THE MONITOR AND THE DEBTORS SINCE THE SECOND SUPPLEMENT

15. In accordance with its duties as outlined in the SARIO and its prescribed rights and obligations under the CCAA, the activities of the Monitor since the June 30 Hearing have included the following:

(a) participating in regular discussions with the Debtors and their legal counsel regarding, among other things, the CCAA Proceedings, communications with stakeholders and business operations;

(b) participating in regular discussions with the DIP Lender, the Senior Secured Lenders and the Debtors regarding the Debtors' business operations, the CRO Selection Process and the Transaction Advisor Solicitation Process;

(c) facilitating the CRO Selection Process, including the development of the CRO Mandate, and Transaction Advisor Solicitation Process, as described in greater detail below;

(d) attending certain meetings of the Operating Committee;

(e) assisting the Debtors with communications with employees, key suppliers, creditors, government entities, and other stakeholders, including the Qikiqtani Inuit Association;

(f) engaging with the Debtors in respect of the status of their offtake arrangements which currently expire on October 31, 2026;

(g) monitoring the purchase orders, cash receipts and disbursements of the Debtors, including DIP draws;

(h) responding to stakeholder enquiries regarding the CCAA Proceedings;

(i) maintaining and uploading documents to the Monitor's website;

(j) posting an updated service list for the CCAA Proceedings on the Monitor's website; and

(k) preparing this Third Report.

16. The Monitor has been assisting the Debtors with communicating with suppliers to prepare for the shipping of fuel, equipment and supplies to the Mine during the Sealift Season.

17. The Sealift Season is particularly critical as, during this time, the following activities must occur:

(a) Fuel (the "**Inbound Fuel**") must be shipped to the Mine. In 2026, Inbound Fuel will be shipped on three vessels (the "**Fuel Vessels**") which will depart from the Terminal Sorel-Tracy in Quebec and travel to Baffin Island during the Sealift Season;

(b) Supplies and inventory (the "**Inbound Supplies and Inventory**") must be shipped to the Mine. In 2026, Inbound Supplies and Inventory will be shipped on two vessels (the "**Supplies Vessels**") which will depart from the Port of Valleyfield in Quebec and travel to Baffin Island during the Sealift Season; and

(c) The iron ore produced over the course of the year (the "**Outbound Iron Ore**") must be shipped to the Debtors' end customers (the "**End Customers**"). The Outbound Iron Ore will be transported from the Milne Port on Baffin Island to the End Customers over the course of the Sealift Season.

18. The supplier community has been receptive to the approval of the EDC DIP Facility and the stability and certainty of funding that it provides. Subsequent to the provisional approval of the EDC DIP Facility on June 11, 2026, the Debtors have

requested and obtained draws on the EDC DIP Facility in the amount of $137 million (as compared to $143 million which was forecasted to be drawn in the June Forecast).

19. Whereas the June Forecast included, as a necessarily conservative assumption, estimates for cash pre-payment of Inbound Fuel and Inbound Supplies and Inventory, the Debtors have been able to instead procure certain Inbound Fuel and Inbound Supplies and Inventory on a purchase order ("**PO**") basis and defer certain other payments, reducing the Debtors' upfront cash requirements. As a result, the Debtors' cash balance is nearly $70 million ahead of forecast.[2]

20. Subsequent to the provisional approval of the EDC DIP Facility on June 11, 2026, the Debtors have committed to $174 million of POs, as follows:

(a) **Inbound Fuel:** the Debtors have committed to approximately $62 million of POs in respect of the Inbound Fuel to be transported on the Fuel Vessels;

(b) **Inbound Supplies and Inventory:** the Debtors have committed to approximately $27 million of POs in respect of the Inbound Supplies and Inventory to be transported on the Supplies Vessels and via air freight, as described in further detail below;

(c) **Outbound Iron Ore:** the Debtors have committed to approximately $60 million of POs for the transportation of the Outbound Iron Ore to the End Customers; and

(d) **Operational Services:** the Debtors have committed to approximately $25 million of POs for operational services which are necessary for the continued operation of the Mine and will be completed over the course of 2026.

[2] The vast majority of this variance is a timing variance that will correct in the future, as more particularly described below.

21. As set out in the affidavit of Celeste van Tonder sworn June 7, 2026, as of June 7, 2026, the Debtors had only been able to obtain and containerize roughly 20% of the Inbound Supplies and Inventory that need to be transported on the first Supplies Vessel during the Sealift Season. Due to the financial support provided by the EDC DIP Facility and the efforts of the Debtors' procurement team, the first Supplies Vessel left the port on July 17, 2026, and was approximately 84% full and carrying approximately $14.9 million of Inbound Supplies and Inventory to the Mine.

22. It is anticipated that the second Supplies Vessel will carry approximately $10.2 million of Inbound Supplies and Inventory to the Mine and will depart in early September. The remaining $2.0 million of Inbound Supplies and Inventory will be transported to the Mine via air freight during the remainder of the year.

RECEIPTS AND DISBURSEMENTS FOR THE PERIOD ENDED JULY 17, 2026

23. The Second Report included a cash-flow forecast for the period of May 30, 2026 to August 28, 2026, which was attached as Appendix "C" to the Second Report (the "**June Forecast**").

24. The Debtors' actual net cash flow for the 7-week period from May 30, 2026 to July 17, 2026 was negative $69.0 million, compared to a forecasted negative net cash flow of approximately $143.9 million, as set out in the June Forecast, representing a positive variance of approximately $74.9 million as summarized below:

Period *Figures in USD $ millions*	7-week Period Ended July 17, 2026 Budget	 Actual	 Variance
Receipts			
Total Receipts	33.4	36.8	3.4
Total Commercial Payments	-	(1.3)	(1.3)
Net Commercial Receipts	**33.4**	**35.5**	**2.1**
Operating Disbursements			
Labour	(16.4)	(16.4)	(0.0)
Vendor Payments	(49.6)	(33.1)	16.5
Sealift Purchases	(68.3)	(29.2)	39.1
Equipment Leases	(0.8)	(0.1)	0.7
Sustaining Capital Costs	(16.0)	(5.8)	10.1
Total Operating & Sustaining Capital Costs	**(151.1)**	**(84.7)**	**66.4**
Overhead Costs	(4.9)	(2.3)	2.6
Exploration Costs	(3.6)	(2.2)	1.4
Steensby Project Costs	(2.4)	(1.3)	1.1
Other Costs	(8.8)	(8.0)	0.8
Professional Fees (CCAA)	(6.5)	(6.1)	0.4
Net Cash Flow	**(143.9)**	**(69.0)**	**74.9**
Cash			
Beginning Balance (excl. Restricted Cash)	21.2	21.2	-
Net Cash Flow	(143.9)	(69.0)	74.9
Debt Advances (Repayments)	142.7	137.4	(5.3)
Ending Balance	**20.0**	**89.6**	**69.6**

25. Explanations for the key variances are as follows:

(a) **Net Commercial Receipts:** there is a positive permanent variance of $3.4 million as actual offtake invoices were issued at more favourable final pricing terms than set out in the June Forecast. This positive variance is partially offset in the current period by a $1.3 million timing variance because the first commercial freight payment for the transportation of the Outbound Iron Ore was paid one week earlier than forecast;

(b) **Vendor Payments:** there is a positive timing variance of $16.5 million as negotiations with various vendors remain ongoing;[3]

[3] This positive variance is expected to reverse in future periods as suppliers continue to provide credit terms following the approval of the EDC DIP Facility. These credit terms were not assumed in the June Forecast.

(c) **Sealift Season Purchases:** there is a positive timing variance of $39.1 million as a large portion of the Inbound Fuel and Inbound Supplies and Inventory were able to be secured on a PO basis with the support of the EDC DIP Facility, as described above. This variance is primarily driven by the timing of the first payment in respect of the Inbound Fuel of approximately $23 million that has not been made during the current period. This positive variance also includes general credit terms provided by consignment vendors which was not assumed in the June Forecast;[4] and

(d) **Sustaining Capital Costs:** there is a positive timing variance of $10.1 million as costs have been deferred where possible.[5]

CRO SELECTION PROCESS

26. In the Second Report, the Monitor recommended that an experienced CRO be appointed in respect of the Debtors, based on stakeholder feedback and the Monitor's observations of the CCAA Proceedings to date, and as is common in Canadian restructuring proceedings. The Second Report also provided that the Monitor would work with stakeholders in identifying an appropriate CRO and would make a recommendation to the Court in that regard.

27. Pursuant to the DIP Settlement Agreement, a copy of which was attached as Appendix "E" to the Second Supplement, the DIP Lender, the Senior Secured Lenders and the Debtors agreed that the CRO Selection Process would be conducted by the Monitor and that:

(a) a CRO 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 among the

[4] These positive variances are expected to reverse in future periods.
[5] This positive variance is expected to reverse in future periods.

DIP Lender, the Senior Secured Lenders and the Debtors dated June 22, 2026 (the "**Side Letter**").[6]

(b) 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

(c) all parties have the right to object to the chosen candidate in Court, including the unfettered right of the Debtors to object to the CRO selected.

28. In accordance with the terms of the DIP Settlement Agreement, on June 29, 2026, the Monitor sent emails to the CRO Candidates, in which the Monitor proposed times on July 2, 2026 for two interviews with each of the CRO Candidates. The Monitor's schedule for interviews contemplated that both (i) the Operating Committee, and (ii) the DIP Lender and Senior Secured Lenders would meet with the CRO Candidates on July 2, 2026.

29. On June 29, 2026, the Monitor sent each of (i) the Operating Committee; and (ii) the Senior Secured Lenders and the DIP Lender a letter notifying them of the CRO Selection Process and setting out the proposed interview schedule.

30. On July 1, 2026, in advance of the interviews scheduled for July 2, 2026, the Monitor sent the Operating Committee, the Senior Secured Lenders and the DIP Lender the biographies/profiles of the CRO Candidates.

31. On July 2, 2026, the Monitor facilitated the aforementioned interviews of the CRO Candidates.

[6] The identities of the CRO Candidates and the Transaction Advisor Candidates, as contained in the Side Letter, were sealed by the Court in the Settlement Approval Order.

32. Following the interviews, on July 2, 2026, the Monitor requested that each of the CRO Candidates provide the Monitor with their proposed fee structure and estimated fees for the engagement by noon on July 3, 2026.

33. On July 3, 2026, the CRO Candidates provided their proposed fee structure and estimated fees for the engagement to the Monitor.

34. On July 3, 2026, the fee proposals from the CRO Candidates were provided to the Senior Secured Lenders and the DIP Lender.

35. Also on July 3, 2026, the Monitor had a follow-up call with the Operating Committee to discuss the CRO Candidates.

36. The Monitor also had further calls with the Senior Secured Lenders and the DIP Lender to discuss the CRO Candidates.

37. On July 8, 2026, the Senior Secured Lenders and the DIP Lender advised that they had unanimously selected the Proposed CRO for the position of CRO, subject to the finalization of acceptable engagement terms.

38. On July 9, 2026, the Monitor advised the Operating Committee that the Senior Secured Lenders and the DIP Lender had unanimously agreed on the Proposed CRO for the position of CRO.

39. Following the Senior Secured Lenders and the DIP Lender's selection of the Proposed CRO in accordance with the DIP Settlement Agreement, the Monitor assisted in the negotiation of the Proposed CRO's fee proposal with the Senior Secured Lenders.

40. On July 13, 2026, the Monitor provided the fee proposals of the CRO Candidates and the negotiated fee proposal with the Proposed CRO to counsel to the Debtors.

41. The Monitor subsequently assisted in the negotiation of the CRO Engagement Letter and the development and negotiation of the CRO Mandate amongst the Proposed CRO, the Debtors, the Senior Secured Lenders and the DIP Lender.

42. On July 22, 2026, the Proposed CRO, the Debtors, the Senior Secured Lenders and the DIP Lender reached an agreement with respect to the CRO Engagement Letter, including the CRO Mandate attached thereto.

43. On July 23, 2026, the Debtors and the Proposed CRO entered into the CRO Engagement Letter.

TRANSACTION ADVISOR SOLICITATION PROCESS

44. Pursuant to the DIP Settlement Agreement, the DIP Lender, the Senior Secured Lenders and the Debtors agreed that the Transaction Advisor Solicitation Process would be conducted by the Monitor and that:

(a) a Transaction Advisor 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;

(b) 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

(c) all parties have the right to object to the chosen candidate in Court, including the unfettered right of the Debtors to object to the Transaction Advisor selected.

45. In accordance with the terms of the DIP Settlement Agreement, on June 30, 2026, the Monitor sent emails to the candidates identified in the Side Letter, in which the Monitor proposed times on July 6, 2026 and July 7, 2026 for two interviews for each

candidate, one with the Operating Committee and one with the Senior Secured Lenders and the DIP Lender.

46. On June 29, 2026, the Monitor also sent each of (i) the Operating Committee; and (ii) the Senior Secured Lenders and the DIP Lender a letter notifying them of the Transaction Advisor Solicitation Process and setting out the proposed interview schedule.

47. On July 4, 2026, the Monitor provided the statements of qualifications for the Transaction Advisor Candidates to be met with on July 6, 2026 and July 7, 2026 to the Operating Committee, the Senior Secured Lenders and the DIP Lender, and provided updated copies of the statements of qualifications on July 6, 2026.

48. On July 6, 2026 and July 7, 2026, the Monitor facilitated the interviews of certain Transaction Advisor Candidates.

49. On July 8, 2026, the Monitor requested that each of the Transaction Advisor Candidates provide the Monitor with their proposed fee structure and estimated fees by noon on July 10, 2026.

50. On July 10, 2026, the Monitor facilitated interviews with an additional Transaction Advisor Candidate.

51. On July 13, 2026, the Monitor circulated the fee proposals received from the Transaction Advisor Candidates to counsel to the Debtors and to the Senior Secured Lenders and the DIP Lender.

52. On July 15, 2026, at the request of the Senior Secured Lenders and the DIP Lender, the Monitor sent a summary of the Transaction Advisor fee proposals at various illustrative valuation points and assuming a 6, 9 and 12-month process to the Senior Secured Lenders and the DIP Lender. This summary was also provided to the Operating Committee on July 16, 2026.

53. As of the date of this Third Report, a Transaction Advisor has not yet been selected, and the Transaction Advisor mandate and engagement letter have not yet been settled. It is the Monitor's current intention that appointment of the Transaction Advisor will be sought in the near term.

THE CRO APPROVAL ORDER

APPOINTMENT OF CRO

The Proposed CRO

54. As set out in the First van Tonder Affidavit, all decision-making authority over the Debtors is vested in an operating committee (the "**Operating Committee**"). The Operating Committee is responsible for supervising the management of the business and affairs of NIO and is composed solely of appointees of NIO's two shareholder groups – the Energy and Minerals Group ("**EMG**") and ArcelorMittal S.A. ("**Arcelor**"). EMG has appointed five members of the Operating Committee and Arcelor has appointed two members of the Operating Committee.

55. In its Second Report dated June 4, 2026, the Monitor provided its view that the Debtors would benefit from the appointment of an experienced CRO. The Monitor stated that it would work with stakeholders in identifying an appropriate CRO and make a recommendation to the Court in that regard.

56. Subsequently, the Senior Secured Lenders, the DIP Lender and the Debtors agreed on a process to select and seek Court approval of a CRO in the DIP Settlement Agreement.

57. The CRO Approval Order seeks the approval of the CRO Engagement Letter (which includes the CRO Mandate as a schedule thereto), the appointment of the Proposed CRO as CRO of the Debtors and the approval of the CRO Fee Charge and the CRO Tiered Success Fee Charge.

58. William E. Aziz, who will have carriage of this mandate personally, has been the President and CEO of BlueTree since 2001. The Proposed CRO has more than 38 years of advisory, turnaround and corporate restructuring experience and has led restructurings as an executive and board member involving all aspects of balance sheet and operational restructurings in diverse industries including steel manufacturing, coal mining, transportation and manufacturing. The Proposed CRO is also a member of the Insolvency Institute of Canada. The biography of the Proposed CRO is attached hereto as **Appendix "E"**.

59. In recent years, the Proposed CRO was appointed as the CRO for Li-Cycle Holdings Corp. in its Canadian and U.S. restructuring, and as the Chief Transaction Officer of Xplore Inc. The Proposed CRO has also acted as the CRO of JTI Macdonald, The Toronto Star Group, Walter Energy Canada Holdings, Cash Stores Financial, and Hollinger. The Monitor understands that the Proposed CRO was also the CRO for US Steel Canada Inc. in its CCAA proceedings and is thus familiar with iron ore operations and the impact of shipping seasons. The Monitor further understands that the Proposed CRO also has experience interfacing with governments and indigenous groups on previous CRO mandates.

60. The Monitor is of the view that the appointment of the Proposed CRO should be approved in accordance with the CRO Approval Order. The Monitor believes that the appointment of the Proposed CRO is necessary and appropriate in the circumstances based on feedback from the parties to the DIP Settlement Agreement who all support the appointment.

The CRO Engagement Letter

61. The CRO Engagement Letter includes the CRO Mandate that contemplates that the CRO's duties will be, among other things:

(a) providing input, recommendations, and assistance to the Operating Committee and the Debtors, as necessary, in connection with operational decisions that can reasonably be expected to have an impact on the Debtors' restructuring activities and the CCAA Proceedings, and specifically with respect to current, new or potential offtake parties, fuel suppliers and other contracts identified by the CRO, participating in negotiations and communications with such offtake parties, fuel suppliers, and other counterparties concerning new or alternative arrangements;

(b) advising and providing recommendations to the Operating Committee and attending all meetings of the Operating Committee in respect of the Debtors' restructuring activities and the CCAA Proceedings including, among other things, in respect of the disclaimer of agreements, the development of a SISP, the development of a restructuring plan and any key employee retention plan being proposed;

(c) assisting the Monitor with the review of any pre-filing transactions, if requested by the Monitor;

(d) assisting with the negotiation of, and executing, the engagement letter for the Transaction Advisor;

(e) coordinating with the Transaction Advisor and others on the resources and information needed to effect the SISP;

(f) managing negotiations and communications involving the Debtors' creditors and other stakeholders with respect to matters arising in connection with the CCAA Proceedings, as deemed necessary by the CRO;

(g) assisting the Debtors in the preparation and review of CCAA cash flow modelling and with compliance of the Debtors' reporting obligations (both financial and non-financial) to the DIP Lender and the Senior Secured Lenders, including under the EDC DIP Facility and the DIP Settlement Agreement;

(h) attending any meetings with the Qikiqtani Inuit Association or Nunavut Tunngavik Inc. and the Debtors, as deemed appropriate by the CRO in consultation with the Monitor and the Debtors;

(i) working with the Monitor to coordinate the foregoing restructuring activities; and

(j) providing such other services as may be needed in respect of the Debtors' restructuring and CCAA Proceedings, as determined by the CRO, in consultation with the Monitor and the Operating Committee.

62. Both the CRO Engagement Letter and the proposed CRO Approval Order also contemplate that the CRO will assist with the negotiation of and execute NDAs in preparation for or in connection with any SISP. Preparations are underway to develop the SISP, which preparations will accelerate upon selection of the Transaction Advisor. However, due to climate and weather conditions, there is a very short window for potential bidders in any SISP to visit the Mine and participate in helicopter tours of the Mine, the proposed route for the Steensby Railway and the proposed site for the Steensby Port. To ensure an effective SISP, the CRO Approval Order permits the CRO to enter into NDAs with parties interested in participating in the SISP. This will allow these parties to visit the Mine and participate in site tours, even prior to approval of a SISP by the Court, given the limited season available for safely conducting such visits and site tours.

63. In relation to the CRO Engagement Letter, the Monitor notes that:

(a) The Proposed CRO shall earn a monthly work fee in the amount of $100,000 (the "**Work Fee**"), for a minimum period of three months;

(b) The Proposed CRO shall be reimbursed for its reasonable out-of-pocket expenses incurred in connection with the CRO Mandate including, but not limited to, legal fees, travel and communications expenses, courier charges and accommodation expenses (the "**Reimbursable Expenses**");

(c) The Proposed CRO shall be entitled to a success fee (the "**Success Fee**") payable on the closing and implementation of a Transaction,[7] to be calculated as the sum of the following:

(i) A Success Fee of $500,000 in any circumstance; plus

(ii) A tiered structure, such that any further Success Fee would be calculated as (the "**Tiered Success Fee**"):

A. $1.0 million in the event that all indebtedness, liabilities and obligations, including principal, interest, fees and expenses, owing under the Senior Secured Debt Documents are paid in full, payable in cash immediately upon closing of a Transaction, plus

[7] A "**Transaction**" is defined in the CRO Engagement Letter to mean any of the following completed transactions, arrangements, or series of related transactions or arrangements arising from or completed through a Court-approved SISP, or otherwise approved by the CCAA Court: (a) any sale, transfer, assignment, conveyance, or other disposition of all or substantially all of the assets, property, undertaking, or business of the Baffinland Group, whether by way of asset sale, share sale, merger, amalgamation, arrangement, or otherwise including a reverse vesting order transaction, including by way of stalking horse bid, credit bid or similar transaction; (b) any recapitalization, restructuring, refinancing, reorganization, compromise, or arrangement of the debt, equity, or other obligations or liabilities of the Baffinland Group, including any plan of arrangement, plan of compromise, or plan of reorganization under applicable insolvency or restructuring legislation pursuant to which one or more parties directly or indirectly acquires control of all or substantially all of the assets of the Baffinland Group (or in the case of the Energy & Minerals Group, such party retains control); and (c) any combination of the foregoing, regardless of the form or structure through which such transaction is effected.

B. 0.5% of the next $250 million of proceeds ("**Proceeds**"), plus 0.25% of the next $500 million of Proceeds, plus 0.125% of any Proceeds that exceed these thresholds.[8]

64. The Monitor is of the view that the scope of the services and the fees contemplated under the CRO Engagement Letter are appropriate and tailored to the circumstances, and that the terms of the CRO Engagement Letter are otherwise reasonable and consistent with comparable engagements.

The CRO Fee Charge & the CRO Tiered Success Fee Charge

65. In the CRO Approval Order, the Applicants are seeking a CRO Fee Charge over the Debtors' Property in an amount not to exceed $1,000,000 in favour of the CRO. The CRO Fee Charge shall rank *pari passu* with the Administration Charge.

66. In the CRO Approval Order, the Applicants are also seeking a CRO Tiered Success Fee Charge over the Debtors' Property in the amount of the Tiered Success Fee under the CRO Engagement Letter. The CRO Tiered Success Fee Charge will rank behind all Charges contemplated in the SARIO (including the CRO Fee Charge) and the Senior Secured Lender Security.

67. The Monitor is of the view that the quantum and ranking of the CRO Fee Charge and the CRO Tiered Success Fee Charge are reasonable and appropriate in the circumstances. The CRO Fee Charge and CRO Tiered Success Fee Charge will provide certainty to the CRO that payments will be paid in accordance with the terms of the CRO Engagement Letter. The proposed ranking of the CRO Tiered Success Fee Charge does not contemplate ranking in priority to any of the existing Charges (or the CRO Fee Charge) or the Senior Secured Lender Security. The CRO Fee Charge is proposed to rank *pari passu* with the Administration Charge as the CRO will similarly be facilitating the CCAA Proceedings.

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[8] No amount shall be payable under section (ii)(B) if section (ii)(A) has not been satisfied in full.

68. The Monitor understands that the DIP Lender and the Senior Secured Lenders are supportive of the CRO Fee Charge and the CRO Tiered Success Fee Charge.

NEXT STEPS IN THE CCAA PROCEEDINGS

69. As set out above, the Monitor is of the view that it is important to appoint a Transaction Advisor and commence a SISP as soon as practicable.

70. The Monitor is keenly aware that the Debtors and their operations are important to Nunavut, its inhabitants and a wide range of stakeholders, including secured and unsecured creditors, suppliers and customers.

71. The Monitor is hopeful that with the stability of the EDC DIP Facility, the selection of the Proposed CRO, and the near-term implementation of a SISP with an experienced Transaction Advisor, the CCAA Proceedings can move from the initial stabilization stage to seeking a value-maximizing restructuring transaction for the benefit of all stakeholders.

The Monitor respectfully submits to the Court this Third Report.

Dated this 26th day of July, 2026.

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

Jeffrey Rosenberg
Senior Managing Director

Greg Watson
Senior Managing Director

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

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

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

THIRD REPORT OF THE MONITOR

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Lawyers for the Monitor, FTI Consulting Canada Inc.

Appendix D

August Forecast

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

Attention: Mr. Jeffrey Rosenberg

August 25, 2026

Dear Sir:

Re: Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (collectively the "Applicants") - CCAA section 10(2) Prescribed Representations with Respect to the Cash Flow Forecast.

In connection with the application by the Applicants for the continuation of proceedings under the *Companies ' Creditors Arrangement Act,* the management of the Applicants has prepared the attached 17-week projected cash flow statement for the period August 15, 2026 to December 11, 2026 (the **"August Forecast")** and the list of assumptions on which the August Forecast is based. The purpose of the August Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

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

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

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

Yours truly,

Per: ______________________________

Name: Celeste Van Tonder
Title: CFO

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

Illustrative Consolidated Cash Flow Projections

($USD in millions)		*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*	*Forecast*
Forecast Week Ending	**Note**	**Aug 21**	**Aug 28**	**Sep 4**	**Sep 11**	**Sep 18**	**Sep 25**	**Oct 2**	**Oct 9**	**Oct 16**	**Oct 23**	**Oct 30**	**Nov 6**	**Nov 13**	**Nov 20**	**Nov 27**	**Dec 4**	**Dec 11**	**Total**
Forecast Week	**[1]**	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Receipts																			
Total Receipts		2.1	7.1	5.4	8.5	6.0	1.5	(0.2)	10.8	7.8	1.0	2.6	40.0	2.5	14.4	2.8	0.6	14.0	126.8
Total Commercial Payments		(2.5)	(7.4)	(7.4)	(4.7)	(1.9)	(3.0)	(2.6)	(4.2)	1.6	0.2	0.7	0.6	0.6	0.6	0.9	0.3	0.3	(28.0)
Net Commercial Receipts	**[2]**	**(0.4)**	**(0.3)**	**(2.0)**	**3.8**	**4.1**	**(1.5)**	**(2.8)**	**6.6**	**9.5**	**1.2**	**3.3**	**40.6**	**3.1**	**15.0**	**3.7**	**0.9**	**14.3**	**98.9**
Operating Disbursements																			
Labour	**[3]**	(3.8)	-	(6.0)	-	(5.9)	-	(5.8)	-	(5.8)	-	(5.5)	-	(5.5)	-	(5.5)	-	(3.3)	(47.0)
Vendor Payments	**[4]**	(3.1)	(3.1)	(5.9)	(3.2)	(3.2)	(3.2)	(5.5)	(2.3)	(2.3)	(2.3)	(2.3)	(3.1)	(2.5)	(2.5)	(2.5)	(2.8)	(2.2)	(52.1)
Sealift Purchases	**[5]**	(4.2)	(3.5)	(4.1)	(14.1)	-	3.9	(1.3)	-	-	-	4.3	-	1.4	-	-	-	-	(17.6)
Equipment Leases		-	-	(0.2)	-	-	-	(0.6)	-	-	-	-	(0.2)	-	-	-	(0.2)	-	(1.3)
Sustaining Capital Costs	**[6]**	(2.5)	(2.5)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(0.6)	(22.7)
Total Operating & Sustaining Capital Costs		**(13.5)**	**(9.1)**	**(17.3)**	**(18.6)**	**(10.4)**	**(0.6)**	**(14.5)**	**(3.5)**	**(9.3)**	**(3.5)**	**(4.7)**	**(4.6)**	**(7.8)**	**(3.7)**	**(9.2)**	**(4.3)**	**(6.1)**	**(140.7)**
Overhead Costs	**[7]**	(0.6)	(0.6)	(1.1)	(0.6)	(0.6)	(0.6)	(1.1)	(0.6)	(0.6)	(0.6)	(1.7)	(0.8)	(0.6)	(0.6)	(0.6)	(1.1)	(0.6)	(13.1)
Exploration Costs	**[8]**	(0.4)	(0.5)	(0.9)	(0.3)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(3.8)
Steensby Project Costs	**[9]**	(1.1)	(1.1)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.3)	(7.9)	(16.1)
Other Costs	**[10]**	-	-	(1.6)	-	-	-	(3.9)	-	-	-	(3.0)	-	-	-	(2.5)	-	-	(11.0)
Professional Fees (CCAA)	**[11]**	(2.1)	(1.4)	(0.8)	(0.7)	(0.7)	(1.3)	(1.0)	(0.6)	(0.6)	(0.6)	(1.2)	(0.7)	(0.6)	(0.6)	(1.2)	(0.8)	(7.5)	(22.2)
Net Cash Flow		**(18.2)**	**(13.0)**	**(24.2)**	**(16.8)**	**(8.1)**	**(4.6)**	**(23.7)**	**1.2**	**(1.6)**	**(4.1)**	**(7.9)**	**33.9**	**(6.4)**	**9.6**	**(10.3)**	**(5.7)**	**(8.1)**	**(107.9)**
Cash																			
Beginning Balance (excl. Restricted Cash)		45.2	27.0	44.2	20.0	28.1	20.0	43.7	20.0	21.6	20.0	27.9	20.0	53.9	47.5	57.1	46.8	41.1	45.2
Net Cash Flow		(18.2)	(13.0)	(24.2)	(16.8)	(8.1)	(4.6)	(23.7)	1.2	(1.6)	(4.1)	(7.9)	33.9	(6.4)	9.6	(10.3)	(5.7)	(8.1)	(107.9)
Debt Advances (Repayments)		-	30.2	-	24.9	-	28.3	-	0.3	-	12.0	-	-	-	-	-	-	-	95.7
Ending Balance		**27.0**	**44.2**	**20.0**	**28.1**	**20.0**	**43.7**	**20.0**	**21.6**	**20.0**	**27.9**	**20.0**	**53.9**	**47.5**	**57.1**	**46.8**	**41.1**	**33.0**	**33.0**
DIP Financing Balance																			
Beginning Balance		181.8	182.2	212.6	212.9	238.0	238.3	266.8	267.0	267.5	267.7	279.9	280.1	280.2	280.4	280.6	280.8	280.9	181.8
Debt Advances (Repayments)		-	30.2	-	24.9	-	28.3	-	0.3	-	12.0	-	-	-	-	-	-	-	95.7
Add: Accrued Fees		0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	3.6
Ending Balance		**182.2**	**212.6**	**212.9**	**238.0**	**238.3**	**266.8**	**267.0**	**267.5**	**267.7**	**279.9**	**280.1**	**280.2**	**280.4**	**280.6**	**280.8**	**280.9**	**281.1**	**281.1**

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

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

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

[1] **Purpose:** The purpose of the Forecast is to estimate the Company's liquidity requirements during the 17-week period August 15, 2026 to December 11, 2026 (the "**Forecast Period**").

[2] **Receipts**: Forecast include collections under the offtake agreement for the 2026 and 2027 shipping seasons. Offtake receipts are received throughout the year, while inventory buyback and shipping sales occur during July to October each year. The Company has hedged approximately half of its 2026 production. Commercial Payments include freight costs and other shipping related fees associated with delivering sales as well as reimbursements for certain refundable fees.

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

[4] **Vendor Payments:** Disbursements to commercial vendors, freight suppliers, government entity payments, royalty payments and other operating costs required to facilitate continued mine operations. Pursuant to section 14 of the DIP Credit Agreement, the approved cash flow shall include provision for "royalty payments under each of the Royalty Agreements when due and payable; provided such Royalty Agreement is properly registered on title, and the Monitor's counsel is of the view that the royalty granted under such Royalty Agreement is a valid royalty at law and runs with the land". A shareholder has written to the Monitor regarding the status of the Monitor's views on Royalty Agreement and creditors have expressed concern to the Monitor that the consideration paid for the royalty was less than fair value. The Monitor and its counsel are currently reviewing matters related to the Royalty Agreements and will report further on the shareholder royalty payments in a subsequent report. The royalty payments will be distributed to the Monitor to be held in escrow pending the Monitor's review and any court order, if required.

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

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

[7] **Overhead Costs**: Payments for office general and administrative expenses, insurance payments and current land lease payments to the Qikiqtani Inuit Association (QIA) in accordance with the Inuit Impact and Benefit Agreement.

[8] **Exploration**: Exploration costs required for location identification, core drilling and sampling, and quantity and quality assessments of deposits necessary to preserve the assets and Authorizations of the Company.

[9] **Steensby Project Costs**: Costs to complete work in progress on the Steensby project, as well as costs to issue an LC required for permitting purposes, deemed necessary to preserve the assets and Authorizations of the Company, including preserving existing assets and Authorizations that are strictly necessary for Steensby expansion.

[10] **Other Costs**: DIP Facility interest and financing costs, and costs to support operating LC issuance.

[11] **Professional Fees (CCAA):** Professional fees for the Monitor, its counsel, the Company's counsel, the CRO, and the Transaction Advisor, to administer the CCAA Proceedings and SISP; The fees for the DIP Lender's legal and financial advisors, and the Senior Secured Lender's legal and financial advisors are also included in accordance with the DIP settlement agreement.

Appendix E

First DIP Amendment and Waiver

FIRST AMENDMENT AND WAIVER TO DIP FACILITY LOAN AGREEMENT

DATED AS OF AUGUST 11, 2026

(the "First Amendment and Waiver")

WHEREAS Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, the "**Borrowers**") along with certain additional guarantors party thereto (collectively, the "**Obligors**") and the DIP Lender (defined below) are party to a DIP facility loan agreement (the "**DIP Term Sheet**") dated as of June 3, 2026, which DIP Term Sheet was approved pursuant to the second amended and restated initial order made by the Court on June 11, 2026 in the Obligors' proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice – Commercial List.

AND WHEREAS the DIP Lender and the Obligors wish to make certain amendments as set out herein.

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

1.	**Defined Terms:**	A capitalized term not defined in the body of this First Amendment and Waiver has the meaning ascribed to it in the DIP Term Sheet.
2.	**Sales and Investment Solicitation Process**	The DIP Lender waives any Event of Default arising solely from the failure of the Obligors to obtain the SISP Order by the SISP Order Date, provided that: (a) The Obligors shall obtain the SISP Order on or before August 27, 2026; (b) The Obligors shall have entered into an engagement letter with a financial advisor acceptable to the DIP Lender (the "**Financial Advisor**"), such engagement letter to be in form and substance acceptable to the DIP Lender by no later than August 14, 2026; (c) The Obligors shall have distributed a form of non-disclosure agreement ("**NDA**") in form and substance acceptable to the DIP Lender by no later than August 21, 2026 to all potentially interested parties as recommended by the Financial Advisor as of such date; and (d) The Obligors shall make available site visits to interested parties who have executed an NDA and who the Financial Advisor has recommended should participate in a site visit for visit dates to occur by no later than September 30, 2026 (collectively, the "**August Milestones**").

3.	**Additional Events of Default:**	In addition to the Events of Default set out in paragraph 28 of the DIP Term Sheet, failure of any Obligor to comply with its obligations and covenants set out in this First Amendment and Waiver, including, without limitation, failure to meet any of the August Milestones, shall constitute an Event of Default under the DIP Term Sheet.
4.	**Ratification of DIP Term Sheet**	Except as expressly provided for in this First Amendment and Waiver, the parties ratify and confirm the DIP Term Sheet. The DIP Term Sheet and this First Amendment and Waiver shall be read and construed as one document.
5.	**Counterparts and Facsimile Signatures:**	This First Amendment and Waiver may be executed in any number of counterparts delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this First Amendment and Waiver by signing any counterpart of it.
6.	**Governing Law and Jurisdiction:**	This First Amendment and Waiver shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment and Waiver to be executed by their duly authorized representatives as of the date first written above.

DIP LENDER:

HIS MAJESTY IN RIGHT OF CANADA

Per: ______________________________

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

Per: ______________________________

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

BORROWERS:

BAFFINLAND IRON MINES CORPORATION

Per: ______________________________

Name:
Title:

Per: ______________________________

Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment and Waiver to be executed by their duly authorized representatives as of the date first written above.

DIP LENDER:

HIS MAJESTY IN RIGHT OF CANADA

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

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

BORROWERS:

BAFFINLAND IRON MINES CORPORATION

Per: ______________________________
Name: William Aziz
Title: Chief Restructuring Officer

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

Per: William J. Aziz
Name: William Aziz
Title: Chief Restructuring Officer

GUARANTORS:

NUNAVUT IRON ORE, INC.

Per: William J. Aziz
Name: William Aziz
Title: Chief Restructuring Officer

12334992 CANADA INC.

Per: William J. Aziz
Name: William Aziz
Title: Chief Restructuring Officer

Appendix F

Transaction Advisor Engagement Letter

August 13, 2026

CONFIDENTIAL AND COMMERCIALLY SENSITIVE

Baffinland Iron Mines Corporation
Nunavut Iron Ore, Inc.
c/o BlueTree Advisors Inc.
360 Oakville Place Drive Suite 300
Oakville, Ontario, Canada, L6H 6K8
Attention: William Aziz, Chief Restructuring Officer

Dear Mr. Aziz:

1. I am pleased to confirm the arrangements under which Morgan Stanley Canada Limited ("Morgan Stanley", "we" or "us") has been engaged by Nunavut Iron Ore, Inc. and Baffinland Iron Mines Corporation (together, the "Company", "you" or "your") as your exclusive financial advisor in connection with a Transaction (as described below). Capitalized terms that are not defined herein have the meanings given thereto in the Second Amended and Restated Initial Order granted by the Ontario Superior Court of Justice (Commercial List) (the "Court") on June 11, 2026, as the same may be further amended, restated or supplemented from time to time.

2. As used herein, "Transaction" means any of the following completed transactions, arrangements, or series of related transactions or arrangements completed through a sale and investment solicitation process ("SISP") to be approved by the Court in the current *Companies' Creditors Arrangement Act* (Canada) ("CCAA") proceedings of the Company: (a) any sale, transfer, assignment, conveyance, credit bid or other disposition of all or substantially all of the assets, property, undertaking, or business of the Company and/or its subsidiaries, whether by way of asset sale, share sale, merger, amalgamation, arrangement, or otherwise including a reverse vesting order transaction, including by way of stalking horse bid or similar transaction; (b) any recapitalization, restructuring, refinancing, reorganization, compromise, or arrangement of the debt, equity, or other obligations or liabilities of the Company and/or its subsidiaries, including any plan of arrangement, plan of compromise, or plan of reorganization under applicable insolvency or restructuring legislation pursuant to which one or more parties directly or indirectly acquires control of all or substantially all of the assets of the Company and/or its subsidiaries; and (c) any combination of the foregoing, regardless of the form or structure through which such transaction is effected. Notwithstanding the foregoing, for the purposes of this letter agreement, "Transaction" does not include any transactions, arrangements, or series of related transactions or arrangements, whether implemented pursuant to the current CCAA proceedings of the Company and/or its subsidiaries or alternative process, through which the Senior Secured Lenders (or any one of them) acquire, directly or indirectly, 50.1% or more of the assets or equity interests of the Company and/or its subsidiaries (a "Senior Secured Lender Restructuring"), unless: (i) an offer was received in "phase 2" of the SISP, which the CRO and the Monitor (each as defined below) believe is actionable and likely could result in a consummated Transaction (the "Viable Third Party Bid"), and (ii) despite receiving such Viable Third Party Bid, the Senior

Secured Lenders (or any one of them) elect to implement the Senior Secured Lender Restructuring.

3. During the term of our engagement, Morgan Stanley will provide you with financial advice and assistance in connection with the SISP and any Transaction, including, as appropriate, advice and assistance with respect to defining objectives, performing valuation analyses, and structuring, planning and negotiating the Transaction. As part of our engagement, Morgan Stanley will, if appropriate and requested, perform the following services:

(a) Advise on the draft form of SISP document;

(b) Prepare, in collaboration with the Company on an expedited basis, a confidential information memorandum or similar document and other relevant informational materials;

(c) Identify and contact prospective purchasers and solicit and assist in evaluating indications of interest and proposals among prospective purchasers;

(d) Coordinate potential purchasers' due diligence with the assistance of the Court-appointed monitor in the CCAA proceedings (the "Monitor") and the Company, including in connection with site visits;

(e) Assist in structuring and negotiating the sale and the terms of the consideration;

(f) Assist in matters associated with closing a Transaction generally provided by financial advisors;

(g) Provide affidavit evidence, if requested by the Company, in connection with any motion brought by the Company and/or its subsidiaries for approval of a Transaction identified in the SISP; and

(h) Provide any other investment banking and financial advisory services reasonably necessary to accomplish the foregoing and consummate a Transaction as requested by the Company and agreed to by Morgan Stanley from time to time.

Please be advised that Morgan Stanley does not provide accounting, tax or legal advice. The provision of any services in addition to those described above shall be set forth in, and subject to the terms and conditions of, a separate letter agreement, and the fees for such services will be negotiated separately in good faith, which fees shall be in addition to, and not in substitution for, the fees payable hereunder.

4. Morgan Stanley may provide its services through or in conjunction with one or more of its affiliates and references in this letter agreement to "Morgan Stanley", "we", "us" and "our" shall, except where the context otherwise requires, include any such affiliates. The

Company agrees and confirms that references to "affiliates" of Morgan Stanley that appear in this letter agreement and the related Indemnity Agreement (defined below) and any Morgan Stanley work product shall be understood to include Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Morgan Stanley shall be responsible for any acts or omissions by any of its affiliates in the performance of any services delegated hereunder to such entity.

5. All monetary amounts referred to in this letter agreement shall refer to United States dollars unless otherwise specified.

6. For our services hereunder, the following fees will be applicable subject to the terms herein:

(a) An "Advisory Fee" which is intended to reimburse us for our time and efforts expended in connection with this assignment. The Advisory Fee for this assignment is [redacted] to be paid in advance of each quarter until the term of this engagement is completed, the first installment of which shall be payable upon execution of this letter agreement and the subsequent payment payable on October 1, 2026, and so forth.

(b) We will charge an "Announcement Fee" [redacted] upon the Court approval of the Transaction. The Announcement Fee is due and payable upon Court approval of such agreement. To the extent that the consideration to be paid consists of publicly traded securities of the buyer, then the value of such securities to be used to calculate the Announcement Fee shall be based on the closing price of such securities as of the trading day preceding the day of announcement of the Transaction.

(c) We will charge a "Transaction Fee" as follows:

(i) If the Transaction is consummated (other than a Senior Secured Lender Restructuring), we will charge a "Transaction Fee" equal to (A) [redacted] of the Transaction Value, plus (B) an incremental [redacted] of the amount, if any, by which the Transaction Value exceeds [redacted] In no event shall the Transaction Fee be less than [redacted] (unless the Transaction consummated is a Senior Secured Lender Restructuring, as set out below); or

(ii) If a Senior Secured Lender Restructuring is consummated which constitutes a "Transaction" (as a result of having received a Viable Third Party Bid), we will charge a "Transaction Fee" equal to: (A) if the Transaction Value is equal or exceeds [redacted], we will charge and be entitled to a Transaction Fee of [redacted]; and (B) if the Transaction Value is less than [redacted], we will charge and be entitled to a Transaction Fee of [redacted].

In either scenario (i) or (ii), the Transaction Fee will become payable and will be paid by the Company upon the closing of the Transaction. Any Advisory

Fee, Announcement Fee or Termination Fee paid will be credited against the Transaction Fee, to the extent not previously credited.

(d) If an agreed upon Transaction is not consummated and the Company receives compensation pursuant to the termination provisions contained in the definitive agreement relating to the Transaction (such compensation, a "Reverse Breakup Fee"), Morgan Stanley will charge a "Termination Fee" equal to [redacted] of the Reverse Breakup Fee, against which any Advisory Fee or Announcement Fee paid will be credited, to the extent not previously credited. For purposes of calculating the Termination Fee, the Reverse Breakup Fee shall include (i) the fair value of any options granted to the Company pursuant to any cross-option agreement or comparable provision and (ii) any judgment for damages, amounts or other consideration received by the Company in settlement of any dispute as a result of the termination or other failure to consummate the Transaction. The Termination Fee will become payable and will be paid by the Company upon its receipt of the Reverse Breakup Fee.

7. For the purpose of the foregoing, the "Transaction Value" shall be (a) the value of the consideration paid for the equity and/or assets of the Company in the Transaction(s), *plus* (b) the principal amount of any indebtedness, capital lease or similar non-trade liabilities or obligations, including liabilities that accelerate upon a change of control, operating lease, and any preferred stock of the Company or its affiliates, in each case directly or indirectly assumed, refinanced, redeemed, retired, or defeased in connection with the Transaction, *plus* (c) the value of any interests (whether equity or assets) retained by the Company or its shareholders, which value shall be based on the consideration paid for the equity and/or assets subject to the Transaction (in each case, solely to the extent paid with cash, with cancelled debt amounts excluded from the calculation of Transaction Value); provided that, for the avoidance of doubt, "Transaction Value" shall be calculated without duplication, such that no amount shall be counted more than once. In calculating the Transaction Value, to the extent that the consideration to be paid to the Company or the shareholders of the Company, as the case may be, consists of publicly traded securities of the buyer, then the value of such securities to be used to calculate the Transaction Value shall be based on the volume weighted average of the closing price of such securities over the ten trading day period up to and including the trading day preceding the day of announcement of the Transaction. If such securities or other non-cash consideration does not have an existing public trading market, the value of such consideration shall be the value mutually agreeable to you and us at the time of the closing. For the avoidance of doubt, Transaction Value shall not be reduced by transaction expenses (including any fees paid or payable to Morgan Stanley). Any amounts to be paid by the buyer contingent upon future events shall be estimated for purposes of the Transaction Fee calculation at an expected value mutually agreeable to you and to Morgan Stanley at the time of closing, and any amounts to be held or held in escrow shall be included in such calculation and deemed to be paid at closing. In the event that the Transaction consummated is a Senior Secured Lender Restructuring (and the Senior Secured Lenders elect not to implement a Viable Third Party Bid), the "Transaction Value" shall be calculated by reference to the Viable Third Party Bid and not on the basis of the value ascribed to the Senior Secured Lender Restructuring.

8. In addition to any of the foregoing fees for professional services, you agree to reimburse us for, and we will separately bill, our reasonable out-of-pocket expenses incurred from time to time (the "Expenses"); provided that the amount of such Expenses for which Morgan Stanley shall be entitled to reimbursement from the Company shall not exceed [redacted] (exclusive of applicable taxes) in the aggregate per month, without the CRO's prior written consent, which consent shall not be unreasonably withheld. Generally, these Expenses include travel costs document production and other expenses of this type, and will also include the fees of Morgan Stanley's outside counsel (including Aird & Berlis LLP and any successor or additional outside counsel retained by Morgan Stanley) and other professional advisors should they be required, incurred in connection with the preparation of this letter agreement and the performance of Morgan Stanley of its services and obligations hereunder. The Company shall be responsible for the costs associated with any virtual data room services utilized in connection with the Transaction and the legal costs associated with negotiating and finalizing any Transaction including, but not limited to, negotiating any non-disclosure agreements. Our fees and Expenses are quoted and payable in United States dollars or, in the case Aird & Berlis LLP, Canadian dollars, and shall be billed and paid by the Company concurrently with payment of the Advisory Fee. All amounts payable to us under the terms of this engagement are exclusive of the Goods and Services Tax, Harmonized Sales Tax or any similar tax, or any withholding tax, if applicable. For the avoidance of doubt, none of the limitations in this paragraph shall in any way affect the Company's obligations set forth in the Indemnity Agreement.

9. Without limited the generality of the foregoing, the Company shall use its best efforts to promptly seek Court approval of an order that, *inter alia*:

(a) approves this letter agreement and the Indemnity Agreement, which the Company acknowledges is a post-filing agreement for the purposes of the CCAA proceedings;

(b) authorizes and directs the Company to pay the fees and expenses payable to Morgan Stanley by the Company pursuant to this letter agreement when due and payable hereunder;

(c) provides that all claims of Morgan Stanley pursuant to this letter agreement are not claims that may be compromised pursuant to a plan of compromise or arrangement under the CCAA (a "Plan") and shall be treated as unaffected in any Plan, any proposal under the *Bankruptcy and Insolvency Act* or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to Morgan Stanley pursuant to this letter agreement;

(d) grants to Morgan Stanley (i) a charge (the "Transaction Advisor Fee Charge") over the Property in the maximum amount of the aggregate of the Advisory Fee, the Announcement Fee and the Expenses, which charge shall rank *pari passu* with the Administration Charge and the CRO Fee Charge granted in the CCAA proceedings, and (ii) a charge (the "Transaction Advisor Transaction Fee Charge") over the Property in the maximum amount of the

Transaction Fee or the Termination Fee, as applicable, which charge shall rank subordinate to the Administration Charge, the CRO Fee Charge, the D&O Charge and the DIP Charge granted in the CCAA proceedings and in priority to the CRO Tiered Success Fee Charge and all other Encumbrances, as security for all amounts due to be paid to Morgan Stanley pursuant to this letter agreement;

(e) provides that the Covered Persons (as defined in the Indemnity Letter) shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind whatsoever, to any person in connection with or as a result of its engagement by the Company hereunder, save and except to the extent that any court of competent jurisdiction, in a final judgment and in a proceeding in which Morgan Stanley is named as a party, determines that such losses, claims, damages or liabilities were caused by or resulted from the gross negligence or wilful misconduct of the Covered Persons; and

(f) redacts from the public record the fees payable to Morgan Stanley hereunder.

The Company agrees not to take any steps or actions to impair, subordinate, release or in any way affect the Transaction Advisor Fee Charge or the Transaction Advisor Transaction Fee Charge, and undertakes to advise Morgan Stanley forthwith of any attempts by third parties to take such steps or actions.

The Company shall serve Morgan Stanley and its designated legal counsel with all court materials filed in the CCAA proceedings and any other insolvency proceedings commenced by the Company and/or its subsidiaries, and shall ensure that Morgan Stanley and its designated legal counsel are added to the "Service List" posted on the Monitor's website in conjunction with the CCAA proceedings.

10. The Company agrees to arrange for payment of Morgan Stanley's fees set forth herein by wire transfer on or before the date(s) specified in this letter agreement.

11. Morgan Stanley will rely on the accuracy and completeness, without verifying it independently, of any information we receive or review in connection with this engagement. We will not independently evaluate or appraise any assets or liabilities that may be involved in this engagement, or advise or opine on any related solvency issues. We will assume that any forecasted financial information reflects the best available estimates of future financial performance. None of the advice or opinions Morgan Stanley provides, activities by Morgan Stanley in connection with the Transaction, nor any fee arrangements for this assignment, may be disclosed or referred to publicly or to any third party except in accordance with our prior written consent.

12. Notwithstanding anything herein to the contrary, Morgan Stanley and the Company agree that the Company (and its employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal and state or Canadian federal and provincial income tax treatment and tax structure of the Transaction, as applicable, and all materials of any kind (including opinions or other tax analyses) that are provided to the Company relating to such tax treatment and

tax structure, except where confidentiality is reasonably necessary to comply with securities laws. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state or Canadian federal and provincial income tax treatment of the Transaction, as applicable, and does not include information relating to the identity of the parties hereto, their affiliates, agents or advisors.

13. As you know, Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading, hedging and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Company, or any other company, or any currency or any commodity, or instrument that may be involved in any of the transactions contemplated herein, or any related derivative instrument. Morgan Stanley and its affiliates may have provided, and may in the future seek to provide, financial advisory and financing services, in each case unrelated to the Transaction, for and may have received and may in the future receive compensation from other parties now or that may become involved in any of the transactions contemplated herein (other than the Transaction). The Company acknowledges that the interests of Morgan Stanley and its affiliates engaged in providing such financial advisory and financing services may differ from those of the Company. Although Morgan Stanley in the course of its other activities and relationships may acquire information about the Transaction or other entities and persons that may be the subject of the engagement contemplated by this letter agreement, Morgan Stanley shall have no obligation to disclose such information, or the fact that Morgan Stanley is in possession of such information, to the Company or to use such information on the Company's behalf.

14. Morgan Stanley's financial advice is intended solely for the benefit and use of the Chief Restructuring Officer (the "CRO"), the senior management of the Company and/or its subsidiaries, the Operating Committee of the Company and/or Monitor in considering the Transaction in connection with the SISP. Morgan Stanley's financial advice is not on behalf of, and shall not confer rights or remedies upon, any shareholder, employee or creditor of the Company or any other person (other than as set out in the SISP) and may not be used or relied upon for any other purpose. Subject to the terms of the SISP, Morgan Stanley shall be permitted to communicate with one representative of each of (i) Oaktree Capital Management, L.P. and Hartree Partners, LP, (ii) Polen Capital Credit, LLC, and Brigade Capital Management LP, and (iii) Export Development Canada (collectively, the "Senior Secured Lenders") (in each case, who have signed a non-disclosure agreement (or is otherwise under confidentiality arrangements) with the Company that are acceptable to the CRO) in connection with material developments in the SISP and will provide the Monitor and the CRO with copies of all correspondence and materials provided to the Senior Secured Lenders. Subject to the prior written consent of the CRO and the Monitor (email being sufficient), the Senior Secured Lenders' advisors shall be permitted to participate in such updates. The Monitor and the Company, including the CRO, shall participate in such updates. For greater certainty, subject to the terms of the SISP, the CRO and/or the Monitor

shall be permitted to provide stakeholders of the Company and/or its subsidiaries, including the Senior Secured Lenders, subject to obligations of confidentiality and on a non-reliance basis, the financial advice provided to the CRO and/or the Monitor by Morgan Stanley, provided that Morgan Stanley shall have no liability or responsibilities to such persons. Morgan Stanley acknowledges and agrees that Morgan Stanley shall comply with the SISP, if and when approved by the Court. Morgan Stanley will act under this letter agreement as an independent contractor with duties and obligations solely to the Company and only as set forth in this letter agreement and not in any other capacity, including as a fiduciary. Because we will be acting on your behalf in this capacity, it is our practice to receive indemnification. A copy of our standard indemnity agreement (the "Indemnity Agreement") is attached at Schedule "A" to this letter agreement. The terms of the Indemnity Agreement are an integral part hereof and shall survive any termination or expiration of this letter agreement. For the avoidance of doubt, as used herein, the Senior Secured Lenders do not include any party that purchases for value the indebtedness of the Company and/or its subsidiaries owing to them, unless such party is an affiliate of a Senior Secured Lender.

15. Any financial advice (written or oral) provided by Morgan Stanley in connection with the Transaction is not intended to be, and does not constitute, a recommendation to any person as to whether any action should be taken or how to vote with respect to any securities relating to the Transaction, any related transactions or any other proposal or matters by the Company, the Operating Committee of the Company, any shareholder of the Company or any other party.

16. The parties hereto agree that any dispute concerning this letter agreement, the engagement or the Indemnity Agreement (including any action, claim (including any cause of action, whether in contract or tort or otherwise), suit, investigation, inquiry, proceeding, controversy or dispute (collectively, an "Action") against any Morgan Stanley affiliate) will be resolved by the Court, and the Company submits to the exclusive jurisdiction of that Province for purposes of any such Action and waives any objections to personal jurisdiction. The parties hereto agree that the laws of the Province of Ontario apply to any Action based upon, arising out of, relating to or concerning this letter agreement or the engagement (including any Action against any Morgan Stanley affiliate), without regard to principles of conflicts of laws. The parties hereto each hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in any Action based upon, arising out of, related to or concerning this letter agreement (including any Action against any Morgan Stanley affiliate). The Company agrees that a final, non-appealable judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

17. This letter agreement and our services hereunder may be terminated with or without cause by you or by Morgan Stanley at any time upon express written notice and without liability or continuing obligation to you or to us. This letter agreement and our services hereunder shall be automatically terminated upon consummation of a Transaction and our receipt of the Transaction Fee; provided, for the avoidance of doubt, that if an agreed upon Transaction is not consummated and the Termination Fee becomes payable, this letter agreement and our services hereunder shall not be automatically terminated. Any termination of this letter agreement shall not affect (i) your liability for any compensation

earned and reasonable out-of-pocket expenses incurred by us to the date of termination, and (ii) in the case of termination by you without cause, our right to fees pursuant to this letter agreement with respect to the Transaction if a definitive agreement is executed within 12 months of such termination. The non-disclosure, governing law, venue and jury trial waiver provisions and the related indemnity agreement will remain operative regardless of any such termination. Morgan Stanley acknowledges and agrees that this letter agreement and the obligations of the Company hereunder are subject to approval of this letter agreement by the Court.

18. In the event that no Viable Third Party Bid was received and a Senior Secured Lender Restructuring is consummated, this letter agreement shall remain valid and binding and govern the terms of any subsequent Transaction (on our customary terms and conditions, including fees, pursuant to separate documentation) if a definitive agreement with respect to the subsequent Transaction is executed within a period of two years following the date that such Senior Secured Lender Restructuring is consummated. Please note that this letter agreement does not constitute a commitment by Morgan Stanley to underwrite or place any securities or make any loan and that such commitment will exist only if and when the parties either (x) enter into a definitive underwriting, placement, loan or other agreement which contains Morgan Stanley's customary terms, including compensation and indemnification, or (y) enter into such agreements as may be required by Morgan Stanley. In addition, in accordance with its customary practices, Morgan Stanley's policy requires formal approval by the appropriate Morgan Stanley Commitment Committee, or other similar committee, as the case may be, prior to entering into such underwriting, placement, loan or other agreement.

19. Morgan Stanley agrees to keep confidential all (a) information, data, documents, agreements, financial or other reports, files and other materials regarding or concerning (i) the contents of this letter agreement, (ii) the Company and/or its subsidiaries, (iii) the Company and/or its subsidiaries' business, assets, projects and finances, (iv) the conduct, implementation and results of the SISP, including any Transaction arising therefrom; and (b) any information, data, advice or opinions derived from the foregoing (collectively, the "Confidential Information") and to not, without the prior consent of the CRO, disclose or use, for any purpose other than providing its services hereunder, any of the Confidential Information, unless as requested or required by applicable law, rule and regulation or by other applicable legal, judicial, governmental or regulatory agency, authority or process (including, without limitation, by interrogatory, request for information or documents, subpoena, deposition, civil investigative demand or other process), provided that Morgan Stanley will, where permitted by the nature of the request, requirement or compunction, use commercially reasonable efforts to promptly notify the Company and the CRO of any such request, requirement or compunction so that the Company and/or the CRO may seek a protective order or other appropriate remedy prior to disclosure. Regardless of whether or not the Company and/or the CRO seeks or is unsuccessful in its attempt to obtain any appropriate protective remedy, the Company and the CRO agree that such disclosure may be made by Morgan Stanley without liability hereunder.

In connection with performing Morgan Stanley's services hereunder, the CRO may from time to time authorize Morgan Stanley to discuss the Confidential Information or deliver it to third parties, but any such communication of Information will be similarly confidential. Morgan Stanley shall not have any responsibility to independently verify that such disclosure of Confidential Information to third parties will not result in any breach of, or constitute default under, any agreement or instrument to which the Company and/or its subsidiaries is party or by which it may be bound, and Morgan Stanley shall not have any liability or obligation arising from such disclosure of Confidential Information where it is not informed by the CRO in writing that such disclosure would be in breach or default of any agreement or instrument to which the Company and/or its subsidiaries is party or by which it may be bound.

For purposes of this letter agreement, Confidential Information does not apply to any information which: (i) is or becomes generally available to the public other than as a result of disclosure by Morgan Stanley in violation of this letter agreement; (ii) was available to Morgan Stanley or any of its Agents (defined below) prior to its disclosure to Morgan Stanley or such Agent by or on behalf of the Company, the CRO or the Monitor, including in connection with the SISP, without any obligation of confidentiality to the Company; (iii) becomes available to Morgan Stanley or any of its Agents from a source other than the Company, the CRO or the Monitor (including in connection with the SISP), which source is not, insofar as known to Morgan Stanley or such Agent following reasonable inquiry, is not prohibited from transmitting the information to Morgan Stanley or such Agent by a contractual, legal or fiduciary obligation to the Company; (iv) the CRO agrees may be disclosed on a non-confidential basis; or (v) is or was independently developed by or on behalf of Morgan Stanley or any of its Agents without use of the Confidential Information. Morgan Stanley may describe or refer to its involvement in any announced or completed Transaction in (i) any advertisements placed in financial or other newspapers and journals (at Morgan Stanley's sole expense); and/or (ii) any pitch, case study, presentation or other such similar marketing materials which Morgan Stanley uses as part of its ordinary course investment banking business, in each case provided that the content is public (other than as a result of disclosure by Morgan Stanley).

Morgan Stanley will maintain the confidential nature of the Confidential Information and restrict the dissemination to such of Morgan Stanley's affiliates and its and their respective directors, officers, employees, representatives, affiliates, counsel or other agents (collectively, the "Agents") who reasonably need to know the Confidential Information (it being understood that those Agents shall be informed by Morgan Stanley of the confidential nature of the Confidential Information and shall be directed by Morgan Stanley to treat the Confidential Information confidentially in accordance with this letter agreement) for a period of three (3) years from the date of this letter agreement.

20. Morgan Stanley shall not be permitted to assign its rights or obligations under this letter agreement, in whole or in part, without the prior written consent of the CRO and the Monitor.

21. Morgan Stanley acknowledges and agrees that the CRO, the Monitor and their respective affiliates, and each of their respective legal counsel, shareholders, directors, officers and employees shall have no personal liability under or in connection with this letter agreement or any related agreement.

22. This letter agreement and the related indemnity agreement represent the entire agreement between the Company and Morgan Stanley with respect to this engagement and may only be amended in writing. This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. A signed copy of this letter agreement delivered by facsimile, e-mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this letter agreement.

23. If the terms of our engagement as set forth in this letter agreement are satisfactory, kindly sign this letter agreement and the related indemnity agreement and return them to us.

(*signature page follows*)

We look forward to working with the Company on this very important assignment.

Very truly yours,

MORGAN STANLEY CANADA LIMITED

By: [redacted]
Name: Evan Glowacki
Title: Executive Director

Accepted and agreed to:

NUNAVUT IRON ORE, INC.

By: William J. Aziz
Name: William Aziz
Title: Chief Restructuring Officer

Date: August 13th, 2026

BAFFINLAND IRON MINES CORPORATION

By: William J. Aziz
Name: William Aziz
Title: Chief Restructuring Officer

Date: August 13th, 2026

Enclosure: Indemnity Agreement

69451761.6

Morgan Stanley Canada Limited
181 Bay Street, Suite 3700
P.O. Box 776
Toronto, Ontario
M5J 2T3

Ladies and Gentlemen:

This agreement will confirm that Nunavut Iron Ore, Inc. (the "Company", "we", "our" or "us") have engaged Morgan Stanley Canada Limited ("Morgan Stanley", "you" or "your") to advise and assist us in connection with the matters referred to in our letter agreement dated August 13, 2026 (as may be amended in writing, the "Engagement Letter"). In consideration of your agreement to act on our behalf in connection with such matters, we agree to indemnify and hold harmless you and your affiliates and your and their respective current officers, directors, employees and agents and each other entity or person, if any, controlling you or any of your affiliates (you and each such other entity or person being a "Covered Person") from and against any and all losses, claims, damages and liabilities excluding any consequential, special, indirect or punitive damages or for lost profits (other than any such amounts owed to a third party) (collectively, "Losses") related to, arising out of or in connection with the engagement under the Engagement Letter (including the same services and activities prior to the date of the Engagement Letter) (the "Engagement"). We will also reimburse each Covered Person for all reasonable out-of-pocket expenses (including reasonable out-of-pock fees, expenses and disbursements of counsel) (collectively, "Expenses") in connection with investigating, preparing, pursuing or defending any action, claim (including any cause of action, whether in contract or tort or otherwise), suit, investigation, inquiry, proceeding, controversy or dispute (collectively, any "Action") related to, arising out of or in connection with the Engagement, whether or not pending or threatened and whether or not any Covered Person is a party, regardless of whether any such Action is brought by us, our affiliates, securityholders, creditors or any other person. We will not, however, be responsible for any Losses or Expenses that are finally judicially determined to have resulted from the bad faith, gross negligence or wilful misconduct of any Covered Person in connection with the Engagement.

Promptly after receiving notice of an Action against any Covered Person in respect of which indemnification may be sought from the Company, you will notify the Company in writing of the particulars thereof, provided that the omission so to notify the Company shall not relieve the Company of any liability which the Company may have to any Covered Person except to the extent we suffer material prejudice as a result thereof. The Company shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, provided, however, that such counsel shall be reasonably satisfactory to you (in which case, although you will or the Covered Person have the right to employ separate counsel and to participate in the defense of such action, the Company will not thereafter be responsible for the Expenses of any separate counsel retained by you or the Covered Person, unless (i) the Company shall have authorized you and/or the Covered Person to employ separate counsel at the Company's expense (ii) we have failed to assume such defense in a reasonably prompt manner or with counsel reasonably acceptable to such Covered Person, or (iii) such Covered Person has been advised by its own counsel that having separate counsel would be reasonably necessary under the circumstances due to one or more actual or potential conflicts of interest, or the availability of one or more legal defenses which are different from or in addition to those available to us. In the event that either of clauses (ii) or (iii) of the preceding sentence occurs, such Covered Person may employ separate counsel to represent and defend it in any action, claim, suit, investigation or proceeding, and the reasonable fees and disbursements of such separate counsel will be paid by the Company; provided, that we will not be required to pay the fees, expenses, and disbursements of more than one counsel for all Covered Persons in any single jurisdiction in any single action, claim, suit, investigation or proceeding unless a Covered Person has been advised by its own counsel that having separate counsel would be reasonably necessary under the circumstances due to one or more actual or potential conflicts of interest between such Covered Person and another Covered Person subject to the same action, claim, suit, investigation or proceeding, or the availability of one or more legal defenses which are different from or in addition to those available to us). If the Company undertakes, conducts or controls the settlement or defense of the Action, you and the Covered Person shall have the right to participate in (but not control) the settlement or defense of the Action.

We will not, without your prior written consent (not to be unreasonably withheld, conditioned or delayed), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any

Action in respect of which indemnification may be sought hereunder or participate in or facilitate any such settlement, compromise, consent to the entry of any judgment in or termination of any such Action (whether or not any Covered Person is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release, enforceable by each Covered Person, of each Covered Person from any liabilities arising out of such Action and does not include any statement as to, or any admission of, fault, culpability or a failure to act by or on behalf of any Covered Person. No Covered Person seeking indemnification, reimbursement or contribution under this agreement will, without our prior written consent (not to be unreasonably withheld, conditioned or delayed), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action. We also agree that no Covered Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to us for any Losses related to, arising out of or in connection with the Engagement or this agreement except for any such liability for Losses incurred by us that are finally judicially determined to have resulted from the bad faith, gross negligence or wilful misconduct of such Covered Person in connection with the Engagement.

If the indemnification provided for in the first paragraph of this agreement is insufficient, not permitted by applicable law or judicially determined to be unavailable (in any case, other than in accordance with the terms hereof) to a Covered Person to pay in full any Losses and Expenses, then, in lieu of indemnifying such Covered Person hereunder, we shall contribute to the amount paid or payable by such Covered Person as a result of such Losses and Expenses (i) in such proportion as is appropriate to reflect the relative benefits to you, on the one hand, and us, on the other hand, of the Engagement or (ii) if the allocation provided by clause (i) above is not sufficient, permitted by applicable law or available, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of each of you and us, as well as any other relevant equitable considerations; provided, however, in no event shall your aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by you under the Engagement Letter. For the purposes of this agreement, the relative benefits to us and you of the Engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by us or our securityholders, as the case may be, in the transaction or transactions that are the subject of the Engagement, whether or not any such transaction is consummated, bears to (b) the fees paid or to be paid to you under the Engagement Letter.

The reimbursement, indemnification, contribution and exculpation provisions contained in this agreement shall be in addition to any liability which we may otherwise have at law or in equity, shall not be limited by any rights you or any other Covered Person may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of us and any other Covered Person.

The provisions of this agreement shall apply to the Engagement and any modification thereof and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter. If one or more provisions of this agreement are held to be unenforceable or is otherwise impermissible under applicable law, such provision(s) shall be excluded from this agreement and the balance of this agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms. Capitalized terms not defined herein shall have the meaning assigned to them in the Engagement Letter.

The parties agree that any dispute concerning this agreement (including any Action against any Morgan Stanley affiliate) will be resolved in the courts located in the Province of Ontario, Canada, and you and your affiliates and the Company each submit to the exclusive jurisdiction of that Province for purposes of any such dispute and waives any objections to personal jurisdiction. The parties agree that the laws of the Province of Ontario apply to any Action based upon, arising out of or relating to this agreement (including any Action against any Morgan Stanley affiliate), without regard to principles of conflicts of laws. The parties each hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in any legal proceeding based upon, arising out of or related to this agreement (including any Action against any Morgan Stanley affiliate). The Company agrees that a final, non-appealable judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(Signature page follows.)

Very truly yours,

NUNAVUT IRON ORE, INC.

By: ______________________________

Name: William Aziz
Title: Chief Restructuring Officer

Accepted:

MORGAN STANLEY CANADA LIMITED

By: [redacted] ______________________________

Name: Evan Glowacki
Title: Executive Director

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

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

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

FOURTH REPORT OF THE MONITOR

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