

**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.**

Applicants

**REPLY FACTUM OF THE APPLICANTS / DEBTORS
(SISP approval motion returnable October 9, 2026)**

October 5, 2026

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TO: The Service List

1. Given the brief compass of this Reply, the Debtors¹ are unable to rebut every misstatement of law and fact contained in the nominally separate Responding Facta of the DIP Lender (the “**DIP Lender Factum**”), the Ad Hoc Committee of Senior Secured Noteholders (the “**AHC Factum**”) and Oaktree Capital Management LP / Hartree Partners LP (the “**OT/HT Factum**”).

2. Focusing only on the most significant of these misstatements, the Debtors address the following in this Reply Factum:

- (a) The lenders’ false premise that the Operating Committee cannot be equated to the Debtors’ board of directors;
- (b) The lenders’ allegation that the Operating Committee is currently conflicted and that the implementation of the Independence Mandate is ineffective to address any residual concerns in this regard;
- (c) The lenders’ related assertions that: (i) their efforts to remove decision-making power over the SISF from the hands of the Operating Committee are fundamentally different than stripping the Committee of its authority more generally; (ii) the standard for granting this remedy is consequently a low one that has been satisfied in the case at bar; and (iii) such a remedy is “routinely” or “commonly” granted by this Court; and
- (d) The lenders’ attempt to recast the DIP Lender’s right to approve the SISF terms in its “reasonable discretion” as an inflexible legal obligation that gives the Debtors no option but to acquiesce to every stipulation proposed by the DIP Lender, however unreasonable or unrelated to the qualified consent right actually granted, thereby depriving this Court of differing views on the proper form of the SISF.

3. ***The Operating Committee is the Debtors’ Board of Directors:*** The lenders assert that the Operating Committee is not properly characterized as the Debtors’ board of directors. They

¹ Terms capitalized but not defined have the meaning given in the Factum of the Debtors dated September 29, 2026 [“**Debtors’ Factum**”] and the Affidavit of Jowdat Waheed sworn September 17, 2026 [“**Second Waheed Affidavit**”].

purport to use this argument (raised for the first time on this Motion, some five months into this CCAA proceeding) to demonstrate that the high bar that otherwise applies to removing decision-making power from a corporation's incumbent leadership does not apply in the immediate circumstances.² These arguments are wrong in law and inconsistent with the record:

- (a) **As a matter of law:** Shareholders who exercise board powers under a unanimous shareholder agreement are themselves “directors” under the OBCA. Section 1(1) defines “*director*” as “*a person occupying the position of director of a corporation by whatever name called...*” (emphasis added). Each Operating Committee member plainly occupies that position, because ss. 108(2) and (5) of the OBCA provide that:
 - (i) a unanimous shareholders’ agreement “may restrict in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the corporation”; and
 - (ii) where those powers are vested in a shareholder, such a “*shareholder...has all the rights, powers, duties and liabilities of a director of a corporation, whether arising under this Act or otherwise...*” and the directors are relieved of their duties and liabilities..., to the same extent” (emphasis added).
- (b) **As a matter of fact:** This legal conclusion is supported by, and is wholly consistent with, the evidence and prior Orders of this Court in this proceeding.³ The uncontroverted evidence is that the Operating Committee has, throughout this proceeding, exercised full power to “manage or supervise the management of the business and affairs” of the Debtors (as is required of any board of directors). Prior to this motion, none of the lenders took issue with the role of the Operating Committee as the board of directors of the Debtors. For instance, the members of the Operating Committee were granted the full benefit of the stay and D&O Charge to the extent such member is “exercising the powers of the directors of any of the Debtors” — a privilege consistent only with those individuals being accepted by all parties as the

² DIP Lender Factum, ¶¶42-44, 49; AHC Factum, ¶¶5, 25-26; OT/HT Factum, ¶¶9.

³ See, e.g., Affidavit of Celeste van Tonder dated May 15, 2026, ¶¶27; Second Waheed Affidavit, ¶¶2, 56; Initial Order of Justice Conway dated May 15, 2026, ¶¶16-17.

Debtors' directors.⁴ The D&O Charge is one of the foundational "building blocks" the lenders acknowledge in their Facta must be respected.⁵

4. ***The Lenders' "Concerns" Regarding the Operating Committee and the Independent Members are Unsubstantiated:*** The lenders allege that members of the Operating Committee are conflicted and cannot be trusted to act in an impartial and unbiased manner.⁶ These allegations are without merit:

- (a) ***First***, these assertions are entirely speculative. The record contains no evidence that the Operating Committee has acted against the Debtors' interests or in breach of its duties. Instead, the evidence of the DIP Lender (the only lender to tender an affidavit on this Motion) is that it has "significant concerns" about the Operating Committee retaining decision-making authority in respect of the SISP *because it is composed of "shareholder representatives"*.⁷ That is not a conflict of interest. Canadian corporate law gives shareholders the statutory power to appoint, elect and remove directors, and that power is in no way unique to the Debtors. The Court should not interfere with this fundamental tenet of corporate law, absent truly extraordinary circumstances. As explained at some length in the Debtors' Factum (filed on September 29, 2026), mere "concerns" about potential conflicts do not come close to satisfying the standard for displacing a corporation's incumbent directing minds; and
- (b) ***Second***, these allegations are belied by the record before this Court. That record clearly and consistently establishes that the Operating Committee has taken steps to ensure the restructuring process is driven toward an outcome that maximizes value for all parties. See, among many other examples, the Operating Committee's acceptance of the necessity of, and its facilitation of: (i) the commencement of this CCAA proceeding; (ii) the DIP Settlement; (iii) the appointment of a CRO; (iv) the appointment of a Transaction Advisor; (v) the creation of an Independence Mandate that explicitly characterizes specific events as giving rise to a "deemed" conflict that requires the immediate replacement of the "conflicted" individual with an Independent

⁴ Second Amended and Restated Initial Order dated June 11, 2026, ¶22.

⁵ DIP Lender Factum, ¶74; AHC Factum, ¶20; *Target Canada Co. (Re)*, [2016 ONSC 317](#), ¶81.

⁶ DIP Lender Factum, ¶51-56, 67; AHC Factum, ¶12, 18, 24, 28-29; OT/HT Factum, ¶3.

⁷ Affidavit of Ashley Glen dated September 21, 2026, ¶38-39.

Member, including with respect to royalties; and (vi) the near-finalization of a SISP, including the ongoing work to advance the SISP.

5. The lenders' attacks on the neutrality of the Independent Members are also without merit.⁸ Each Independent Member has confirmed their independence within the meaning of section 1.4 of National Instrument 52-110,⁹ and the lenders offer no basis to suggest that these professionals would breach their contractual undertakings and legal duties out of loyalty to the person who appointed them and pays their stipend. The suggestion that these qualified and experienced professionals would disregard their duties and jeopardize their professional reputations in order to do the bidding of their appointors is risible. Nor, contrary to the assertions made in the DIP Lender Factum,¹⁰ does any Independent Member's compensation exceed the C\$75,000 independence threshold identified in National Instrument 52-110.¹¹

6. ***The Lenders Mischaracterize the Relief They Seek and Understate Its Extraordinary Nature:*** The lenders have attempted to convince this Court that: (i) their effort to seize the decision-making authority of the Operating Committee under the SISP is entirely different than the outright removal of directors or the stripping of a board's powers (and that the authorities relied on by the Debtors are consequently irrelevant); (ii) this Court "routinely" transfers directors' authority to CROs or Monitors; and (iii) the CRO Mandate left open where decision-making power under the SISP should reside. Each argument fails.

7. As the Debtors explained in their submissions dated September 29, 2026, there is a well-

⁸ DIP Lender Factum, ¶30(b), 51-56; AHC Factum, ¶12, 32; OT/HT Factum, ¶3.

⁹ Jay Goffman Engagement Letter, Exhibit "N" to the Second Waheed Affidavit; Madlyn Gliech Engagement Letter, Exhibit "O" to the Second Waheed Affidavit; William Gula Engagement Letter, Exhibit "P" to the Second Waheed Affidavit; Second Waheed Affidavit, ¶76-78.

¹⁰ DIP Lender Factum, ¶66.

¹¹ Pursuant to section 1.4(6) of NI 52-110, remuneration received "for acting as a member of the board of directors or of any board committee of the issuer" is excluded from the \$75,000 direct compensation limit that disqualifies a director from being independent. Since Mr. Goffman is receiving that compensation solely as remuneration for acting as a director, the quantum does not taint his independence for purposes of NI 52-110 and he is independent of both EMG and NIO. Section 1.4(8) of NI 52-110 further supports this analysis as it clarifies that the term "issuer" includes both a subsidiary and parent of the issuer, such that EMG may pay for Mr. Goffman to act as a director of an EMG subsidiary and such payment will not taint his independence *qua* either EMG or NIO.

established presumption that the incumbent board retains authority over a CCAA restructuring. That presumption is rebutted, and control passes to a CRO or the Monitor, only in extraordinary circumstances, such as where all directors have resigned, none has the skill to complete the restructuring, or all are tainted by fraud or other gross misconduct.

8. Because there are no extraordinary circumstances present in the case at bar, the lenders now say these authorities do not apply because they seek not to remove the Operating Committee *qua* directors or strip their powers, but merely to shift control of decision-making in respect of the SISF to the CRO (or the Monitor).¹² This position must be rejected:

- (a) **First**, having previously demanded that decision-making power be vested in the CRO alone, the lenders now suggest for the first time that it could go to either the CRO *or the Monitor*.¹³ Yet they have neither moved under s. 11.5 of the CCAA to remove the Operating Committee nor sought “super monitor” powers for the Monitor. They are seeking to do indirectly what they cannot do directly.
- (b) **Second**, the distinction between stripping a board of “all” its powers and “only” removing its control of the SISF is illusory. As the lenders themselves emphasize in their Facta, the SISF is an existential issue facing the Debtors.¹⁴ As the DIP Lender concedes, the issue on this motion is “critical”.¹⁵
- (c) **Third**, contrary to the assertion of the DIP Lender,¹⁶ the Ontario Court of Appeal’s decision in *Stelco* remains binding in Ontario after the 2009 amendments to the CCAA. Its core principle, that a court should strain against “usurping the power of the board of directors...in its restructuring efforts”, has been consistently applied since 2009.¹⁷ The DIP Lender cites a recent ruling of the Alberta Court of Appeal (“**Angus**”) that appears to cast doubt on the continuing efficacy of *Stelco*.¹⁸ However, *Angus* and

¹² DIP Lender Factum, ¶46-50; OT/HT Factum, ¶9; AHC Factum, ¶5.

¹³ DIP Lender Factum, ¶6, 70; OT/HT Factum, ¶2; AHC Factum, ¶4.

¹⁴ AHC Factum, ¶2, 32; DIP Lender Factum, ¶4(a); OT/HT Factum, ¶7-8.

¹⁵ DIP Lender Factum, ¶5.

¹⁶ DIP Lender Factum, ¶48.

¹⁷ See, for example, *Re Crystallex Internat. Corp.*, [2011 ONSC 7701](#) ¶28 and *Lightstream Resources Ltd (Re)*, [2016 ABQB 665](#) ¶45-51, each of which cited this principle from *Stelco Inc. (Bankruptcy)*, *Re*, [2005 CanLII 8671](#) (ON CA) ¶44 with approval.

¹⁸ DIP Lender Factum ¶48; *Angus A2A GP. v. Alvarez & Marsal Canada Inc.*, [2026 ABCA 156](#) ¶133-135 [“**Angus**”]

its comment on *Stelco* must be read in light of its highly unusual facts, which are absent here. In *Angus*, investors in a failed real estate development sought enhanced Monitor powers because of a “total lack of communication” from the debtors, an “apparent abdication of duty by management” and the need to “ensure assets are protected for the benefit of stakeholders” ahead of a contemplated disposition. In contrast to the case at bar, management had provided no updates to investors for at least six years, produced no financial statements, and had not accounted for investor funds at all.¹⁹

9. The lenders also assert that it is “routine” or a matter of “common practice” for this Court to transfer authority over a restructuring to a CRO or the Monitor.²⁰ With respect, that is incorrect, and the lenders cite no authority for it. As explained above, such orders are made only in extraordinary circumstances. There are none here.

10. Notably, the lenders have not identified a single case in which a debtor, over its objection and without extraordinary circumstances, was stripped of control over a SISP:

- (a) The lenders do not rely on reasoned judicial decisions. Instead, they rely on SISP Orders that gave authority over the SISP to the CRO, the Monitor or some combination of them. In two cases, that authority went to the debtor itself.²¹ As the chart at Schedule “C” shows, the **debtor(s) supported** the proposed SISP and its allocation of authority in every case except one. That one exception was a creditor-led CCAA proceeding where the Initial Order had already granted the Monitor enhanced powers.²² Each of these Orders depends on its own facts, and none of them is authority that this Court can safely rely on.
- (b) These Orders do not show that courts “routinely” take authority away from debtors over their objection. They show only that (i) CCAA proceedings respect the fundamental tenets of corporate law, and (ii) whether a debtor cedes control of its sale

¹⁹ [Affidavit of Michael Edwards](#) (filed in *Angus* and dated November 12, 2024), ¶¶9, 97, 109.

²⁰ DIP Lender Factum, ¶¶33, 48; AHC Factum, ¶¶30.

²¹ DIP Lender Factum, ¶¶33; AHC Factum, ¶¶19. See Schedule “C” appended to this Reply for a chart providing additional information regarding the Orders relied upon by the lenders.

²² See *Chesswood Group Limited et al. (Re)*, [Initial Order](#), ¶¶11.

process, and how much, depends on the circumstances of each case.

- (c) The reasoned decisions the lenders cite support the Debtors' position that directors may be removed, or their powers substantially limited, only in extraordinary circumstances: (i) in *Walter Energy*, a CRO was given control of the SISF only because the directors had resigned, were about to resign, or lacked the requisite skills;²³ (ii) in *PCAS*, the debtors, not a CRO or the Monitor, oversaw the SISF (even though the Monitor had been granted special powers);²⁴ (iii) in *Ivaco*, the CRO's role in the SISF was expressly recommendatory, precisely as proposed by the Debtors in the case at bar;²⁵ (iv) in *Ernst & Young*, the Monitor (*not* the CRO) received super monitor powers to conduct litigation (not a SISF) where management was hopelessly conflicted in respect of that litigation;²⁶ and (v) in *Angus*, the Monitor (not a CRO) received enhanced powers unrelated to any SISF where there was compelling evidence the directors had abdicated their duties.²⁷

11. Finally, contrary to the submissions of the DIP Lender,²⁸ the CRO Mandate does not leave the lenders free to now insist that SISF decision-making power be transferred to the CRO. Properly interpreted, that Mandate reflects the parties' carefully negotiated agreement that decision-making under the SISF would remain with the Operating Committee, with the CRO and the Monitor playing important supervisory roles. The lenders are seeking to re-trade the settled terms of the CRO Mandate, despite their insistence that the prior Orders in this proceeding are fundamental building blocks that should not be undermined.

12. ***The Lenders Seek to Use the DIP Facility to "Bind the Hands" of this Court:*** The Debtors accept that s. 27 of the DIP Facility requires that "[a]ll terms of the SISF...must be

²³ *Walter Energy Canada Holdings, Inc.*, [2016 BCSC 107](#) ¶¶19, 25-31 – cited in DIP Lender Factum ¶¶33-34 and AHC Factum ¶¶30.

²⁴ *PCAS Patient Care Autom'n Svces Inc. (Re)*, [2012 ONSC 2840](#) ¶¶1, 7-8, 14-16 – cited in DIP Lender Factum ¶¶33.

²⁵ *Ivaco Inc. (Re)*, [2004 CanLII 34434](#) (ON SC) ¶¶17 – cited in DIP Lender Factum ¶¶34.

²⁶ *Ernst & Young Inc. v. Essar Global Fund*, [2017 ONCA 1014](#) ¶¶122-125 – cited in AHC Factum ¶¶30.

²⁷ *Angus*, *supra*, ¶¶39 – cited in DIP Lender Factum ¶¶48. See the [Affidavit of Michael Edwards](#) (filed in *Angus* and dated November 12, 2024), ¶¶97, 109, noting the "total lack of communication from the A2A Group" and an "apparent abdication of duty by management". See also, ¶¶9 describing the failures of management, including failing to provide updates to investors for at least six years, failing to produce financial statements, and failing to account for funds received from investors, or at all.

²⁸ DIP Lender Factum, ¶¶70, 83.

acceptable to the DIP Lender in its reasonable discretion”, and that a failure “to perform or comply with any term or covenant [thereof]”, including s. 27, is an “Event of Default” under s. 28(k). Read together, these provisions mean that: (i) the Debtors and the DIP Lender must try to agree on a form of SISP; (ii) failing agreement, they must place their competing versions before this Court; and (iii) the Court selects the most appropriate version, giving due weight to the DIP Lender’s right to approve the SISP, but only to the extent that it exercises that right reasonably.

13. The lenders read s. 27 differently. They say that it obliges the Debtors to accept every demand the DIP Lender makes about the SISP, however unreasonable.²⁹ Even worse, on their reading of ss. 27 and 28, any objection the Debtors raise about the DIP Lender’s SISP would itself be an Event of Default, exposing the Debtors to the possible termination of the DIP Facility.

14. That interpretation cannot be correct, and the position itself is highly concerning. It would silence the Debtors, to the detriment of all stakeholders, and deprive this Court of the competing views it needs to exercise its jurisdiction under the CCAA. Respectfully, a *bona fide* disagreement over one element of the SISP should not put the DIP Facility at risk, and with it this CCAA proceeding. This Court should be loath to endorse a reading of the DIP Facility that would produce that result.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of October, 2026.



DAVIES WARD PHILLIPS & VINEBERG LLP

²⁹ DIP Lender Factum, ¶26, 71-73, 76; AHC Factum, ¶15-16, 19-22.

SCHEDULE "A"

List of Authorities

Caselaw

1. *Angus A2A GP. v. Alvarez & Marsal Canada Inc.*, [2026 ABCA 156](#)
2. *Century Services Inc. v. Canada*, [2010 SCC 60](#)
3. *Crystallex Internat. Corp. (Re)*, [2011 ONSC 7701](#)
4. *Ernst & Young Inc. v. Essar Global Fund*, 2017 ONCA 1014
5. *In Re Hudson's Bay Company*, [2025 ONSC 5998](#)
6. *Ivaco Inc. (Re)*, [2004 CanLII 34434](#) (ON SC)
7. *Lightstream Resources Ltd (Re)*, 2016 ABQB 665
8. *PCAS Patient Care Autom'n Svces Inc. (Re)*, 2012 ONSC 2840
9. *Stelco Inc. (Bankruptcy)*, *Re*, [2005 CanLII 8671](#) (ON CA)
10. *Target Canada Co. (Re)*, [2016 ONSC 317](#)
11. *Walter Energy Canada Holdings, Inc.*, [2016 BCSC 107](#)

I certify that I am satisfied as to the authenticity of every authority.

Note: Under the *Rules of Civil Procedure*, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (R. 4. 06. 1 (2.2)).

October 5, 2026

Date

Dylan J. Young

Signature

SCHEDULE “B”

Legislation

***Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, ss. 11, 11.5**

General Power of the Court

[11.](#) Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

...

Removal of directors

11.5 (1) The court may, on the application of any person interested in the matter, make an order removing from office any director of a debtor company in respect of which an order has been made under this Act if the court is satisfied that the director is unreasonably impairing or is likely to unreasonably impair the possibility of a viable compromise or arrangement being made in respect of the company or is acting or is likely to act inappropriately as a director in the circumstances.

Filling vacancy

(2) The court may, by order, fill any vacancy created under subsection (1).

***Business Corporations Act*, R.S.O. 1990, c. B.16, ss. 1(1), 108(1)-(5.1), 115(1), 134**

Definitions and interpretation

1 (1) In this Act,

...

“director” means a person occupying the position of director of a corporation by whatever name called, and “directors” and “board of directors” include a single director;

...

Agreement between shareholders

108 (1) A written agreement between two or more shareholders may provide that in exercising voting rights the shares held by them shall be voted as therein provided.

Idem

(2) A written agreement among all the shareholders of a corporation or among all the shareholders and one or more persons who are not shareholders may restrict in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the corporation.

Unanimous shareholder agreement

(3) Where a person who is the registered holder of all the issued shares of a corporation makes a written declaration that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of a corporation, the declaration shall be deemed to be a unanimous shareholder agreement.

Party to unanimous shareholder agreement

(4) A transferee of shares subject to a unanimous shareholder agreement shall be deemed to be a party to the agreement.

Where shareholder has power, etc., of director

(5) A shareholder who is a party to a unanimous shareholder agreement has all the rights, powers, duties and liabilities of a director of a corporation, whether arising under this Act or otherwise, including any defences available to the directors, to which the agreement relates to the extent that the agreement restricts the discretion or powers of the directors to manage or supervise the management of the business and affairs of the corporation and the directors are relieved of their duties and liabilities, including any liabilities under section 131, to the same extent.

Unanimous shareholder agreement

(5.1) Nothing in this section prevents shareholders from fettering their discretion when exercising the powers of directors under a unanimous shareholder agreement.

...

Directors

115 (1) Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of a corporation.

....

Standards of care, etc., of directors, etc.

134 (1) Every director and officer of a corporation in exercising his or her powers and discharging his or her duties to the corporation shall,

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duty to comply with Act, etc.

(2) Every director and officer of a corporation shall comply with this Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

Cannot contract out of liability

(3) Subject to subsection 108 (5), no provision in a contract, the articles, the by-laws or a resolution relieves a director or officer from the duty to act in accordance with this Act and the regulations or relieves him or her from liability for a breach thereof.

SCHEDULE “C”

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
1.	CFFI Ventures Inc. (SISP)	Monitor “Following the selection of the Successful Bid(s), the Monitor shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bids” (para. 10).	Yes A Vice President and the Chief Financial Officer of the debtor swore an affidavit in support of the SISP.
2.	Toys “R” Us (Canada) Ltd. (SISP)	Monitor “If any Binding Offers are received, the Monitor will, in consultation with the Company: (d) select the best bid(s) (the “Successful Bid(s)” within five (5) business days of the Phase 2 Bid Deadline and following such selection promptly notify the Binding Bidder making such Successful Bid that it has been selected as the successful bidder”. (para. 25).	Yes The debtor’s Chief Restructuring Officer, who was appointed before CCAA proceedings commenced, swore an affidavit in support of the SISP.
3.	Hakim Optical Laboratory Limited (SISP)	Monitor “If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Monitor on or before the Qualified Bid Deadline, the Monitor shall proceed with an auction to determine the successful bid(s) (the ‘Auction’) which Auction shall be administered in accordance with Exhibit “A” hereto, subject to such additional procedural rules as may be determined by the Monitor 10 to be necessary or desirable in the conduct of the Auction. The successful bid(s) selected within the Auction shall constitute the	Yes The Senior Controller of the debtor swore an affidavit in support of the SISP.

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
		successful bid ('Successful Bid', with such bidder being the 'Successful Bidder')" (para. 34) Before the conclusion of the Auction, the Monitor will: (b) designate the highest or otherwise best bid received at the Auction the Successful Bid and the Qualified Party making such bid, the Successful Bidder (SISP, Exhibit A, para. 4)	
4.	Sunterra (SISP)	Chief Restructuring Advisor "Subject to Sections 24 and 26, the Chief Restructuring Advisor, in consultation with the Sale Advisor and the Monitor, will identify the Phase 2 Qualified Bid(s) (the 'Successful Bid(s)'), and the Phase 2 Qualified Bidder making such Successful Bid (the 'Successful Bidder(s)') for any particular Property or the Business in whole or part". (para. 25)	Yes The Principal and Chairman of the debtor filed an affidavit in support of the SISP, and the vesting of decision-making authority with the Chief Restructuring Advisor. Notably, the debtor also sought the appointment of the Chief Restructuring Advisor.
5.	Crown Crest (SISP)	Monitor "(a) the Monitor, in consultation with the Sales Agent, PTC and the CRO, shall select one or more successful bid(s) (the 'Successful Bid', and such bidder, the 'Successful Bidder'". (para. 21)	Yes The Chief Credit Officer of Peoples Trust Company, the creditor that initiated CCAA proceedings, swore an affidavit noting the application was filed with the support of the debtors' management. The Chief Restructuring Officer also filed an affidavit in support of the SISP.
6.	1057863 B.C. Ltd (SISP)	Monitor "The Monitor, after consulting with the Petitioners, reserves the right not to accept any Qualified Bid or to	Yes

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
		otherwise terminate the SISP at any time. The Monitor reserves the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Qualified Bid for different parts of the Woodlands Business and Property of the Petitioners, or to accept multiple Qualified Bids and the Petitioners may enter into definitive agreements in respect of all such bids". (para. 48)	The Notice of Application and affidavit sworn in respect of the SISP note the debtors approve of the SISP.
7.	Chesswood Group Ltd. (SISP)	Monitor "The Monitor will: (a) review and evaluate each Qualified Bid; (b) identify the highest or otherwise best bid (the 'Successful Bid', and the Qualified Bidder making such Successful Bid, the 'Successful Bidder'); and (c) identify the next highest or otherwise second best bid (the 'Back-Up Bid', and the Qualified Bidder making such Back-Up Bid, the 'Back-Up Bidder')". (para. 20)	No Opposition In this creditor-initiated CCAA proceeding, the Monitor was granted enhanced powers pursuant to the Initial Order .
8.	Indiva Limited (SISP)	Debtors "The Monitor, with the consent of the Applicants, reserves the right not to accept any Qualified Bid or to otherwise terminate the Sale Process, in which case the Stalking Horse Bid will be the Successful Bid and the Applicants will proceed to seek is Approval and Vesting Order Motion. The Monitor, with the consent of the Applicants, reserves the right to deal with one of the Qualified Bidders to the exclusion or others, to accept a Qualified Bid for different parts of the business and assets of the Applicants, or to accept multiple Qualified Bids and enter into definitive	Yes The President and Chief Executive Officer of the debtors swore an affidavit in support of the SISP.

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
		agreements in respect of such all such bids". (para. 25)	
9.	TBS Acquireco Inc. (SISP)	Secured Lenders "If a Nominated Bid is determined to be a Successful Bid in accordance with the SISP Procedures, then the SISP Committee, with the assistance of the Monitor shall proceed to negotiate and settle the terms of a definitive agreement in respect of the Successful Bid, which shall be subject to the approval of the Secured Lenders, and which shall be conditional upon Court approval and also conditional on the Successful Bid closing not later than 21 days after the Bid Deadline, or such longer period as shall be agreed to by the Monitor, in consultation with the SISP Committee and the Secured Lenders" (p. 5)	Yes The Chief Financial Officer of the debtors swore an affidavit in support of the SISP.
10.	Harbour Grace Ocean Enterprises Ltd. (SISP)	Monitor "After reviewing and evaluating the Qualified Bids, the Monitor, in consultation with the Company, may identify the highest or otherwise best bid(s) (the 'Successful Bid(s)') for any Assets or the Business of the company, in whole or in part".	Yes The General Manager and Director of the debtors swore an affidavit in support of the SISP.
11.	Teal Jones Holdings Ltd. (SISP)	Debtors "The monitor and the company, may identify the most favourable of the qualified bids received during phrase II as the Successful Bid or Bids. The Company shall	Yes The Vice President and Chief Financial Officer of the debtors swore an affidavit in support of the SISP.

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
		then proceed to negotiate and settle the terms and conditions of a definitive agreement”.	
12.	Blue Lobster Capital Limited (SISP)	Monitor “Any and all offers submitted in the SISP shall be submitted to the Monitor and reviewed exclusively by it, in consultation with RBC. The Monitor may share and discuss the offers received in the SISP with the Companies and Management if they do not participate in the SISP as Potential Bidders”. (para. 9)	Yes The President of the debtors filed an affidavit in support of the SISP.
13.	2675970 Ontario Inc. (SISP)	Monitor “If any Binding Offers are received (other than the Stalking Horse Agreement) the Monitor will, in consultation with the Companies: (c) select the best bid(s) (the “Successful Bid(s)”) within two (2) business days of the Phase 2 Bid Deadline and following such selection will promptly notify the Binding Bidder making such Successful Bid that it has been selected as a successful bidder (the “Successful Bidder”).” (para. 23)	Yes The President of the Debtors filed an affidavit in support of the SISP.
14.	CannaPiece Group Inc. (SISP)	Monitor “Before the conclusion of the Auction, the Monitor, in consultation with the Applicants, will: (b) identify the highest or otherwise best bid received at the Auction (the ‘Successful Bid’ and the Qualified Party making such bid, the ‘Successful Party’).” (para 26).	Yes The President and Chief Executive Officer of the debtors swore an affidavit in support of the SISP.

No.	Proceeding	Ultimate Decision-Making Authority Re SISP	Supported by Debtors?
15.	Humble & Fume Inc. (SISP)	Monitor “Before the conclusion of the Auction, the Monitor, in consultation with the Applicants, will: b. identify the highest or otherwise best bid received at the Auction (the ‘Successful Bid’) and the Qualified Party making such bid, the ‘Successful Party’). (para 30).	Yes The Chief Executive Officer of the debtors swore an affidavit in support of the SISP.
16.	CanadaBis (SISP)	Debtors “Following such evaluation, if one or more Qualified Phase II Bids are received, the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, may: (i) select one or more Qualified Phase II Bids as the “Successful Bid”, and the party or parties making such Successful Bid(s) will be the “Successful Bidder”; or (ii) proceed to an auction (the “Auction”) in accordance with the procedures set out in the attached Schedule “C” (the “Auction Procedures”) to identify the Successful Bid.” (p. 13)	Yes The President and Chief Executive Officer of the debtors swore an affidavit in support of the SISP.

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

**REPLY FACTUM OF THE APPLICANTS /
DEBTORS**
(SISP approval motion returnable October 9, 2026)

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