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.

Applicants

RESPONDING AND REPLY FACTUM OF THE APPLICANTS / DEBTORS

(returnable June 10, 2026)

June 9, 2026

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PART I – OVERVIEW

1. The Debtors[1] and the Monitor undertook a fair, transparent and competitive DIP solicitation process (the "**DIP Process**"). It was very successful, with three separate bidders submitting initial proposals. Then, after considerable back and forth in connection with those initial proposals, each of the bidders submitted final proposals. They did so after being specifically advised to "**return your best and final terms** by no later than Saturday, May 30, 2026 at 2:00 pm…". The finality of this deadline was made clear to the bidders: "This will be the final set of terms that will be considered by the Debtors before they identify a successful party to move forward to finalize a definitive agreement".[2]

2. Having agreed to play by those rules, one of the losing bidders now asks this Court to effectively make a mockery of the DIP Process undertaken by the Debtors and the Monitor.[3] Without the benefit of a full evidentiary record (which they claim is needed to finally decide which DIP facility should be approved), the Ad Hoc Committee of Noteholders (the "**Ad Hoc Group**") and Oaktree Capital Management L.P. and Hartree Partners, LP (together, "**Oaktree**", and collectively with the Ad Hoc Group, the "**Objecting Bidder**") ask this Court through their cross-motion to impose its inferior proposal on the Debtors in circumstances where the Monitor agrees with the Debtors that the EDC Proposal is superior. In the alternative, Oaktree asks in its Factum that the Court approve an ill-defined and unnegotiated "Interim Bridge DIP". In the further alternative, the Objecting Bidder asks this Court to

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1 Unless otherwise defined herein, capitalized terms in this Responding and Reply Factum have the meanings ascribed to them in the Factum of the Debtors dated June 4, 2026.

2 Affidavit of Joshua Gordon dated June 4, 2026 ("**Gordon Affidavit**"), Exhibit "H" – Email from Natalie Renner dated May 28, 2026 [Objecting Bidder's Joint Motion Record ("**OBJMR**"), Tab 2, p. B-1-884].

3 *Tacora Resources Inc. (*Re), 2023 ONSC 6126, at para. 102; *Royal Bank v. Soundair Corp.*, [1991] CarswellOnt 205 at para. 30.; *Terrace Bay Pulp Inc. (Re)*, 2012 ONSC 4247 at para. 30 and 64.

entertain a late-breaking amended DIP proposal, tabled only this morning and revised, tellingly, after having had the opportunity to review the EDC Proposal and understanding precisely why its own proposal fell short. None of these outcomes is remotely warranted.

3. The Objecting Bidder advances a number of misguided complaints in its factums[4] in support of these goals. The Objecting Bidder's scattershot of complaints across its two factums can be organized into four main categories:

(a) ***First***, they allege that only interim financing should be approved because of supposed "manufactured urgency";

(b) ***Second***, they complain that they were not treated fairly in the DIP Process;

(c) ***Third***, they allege that the EDC Proposal provides an unsupported amount of DIP funding; and

(d) ***Fourth***, they assert that the Objecting Bidder will suffer serious prejudice if the EDC Proposal is approved at the return of this motion on June 10, 2026.

4. None of these complaints comes close to justifying an extraordinary and unprecedented decision by this Court to override – even temporarily – the result of a competitive DIP Process overseen run by the Debtors and the Monitor.

5. ***First***, the unrefuted evidence shows that the urgency is real, not manufactured. Numerous employees have already quit. Others refuse to travel to the Mine for fear of being stranded if the Debtors run out of cash. Suppliers will not ship materials, supplies, or

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[4] Factum of the Ad Hoc Committee of Senior Secured Noteholders dated June 4, 2026 ("**Ad Hoc Group Factum**"), p. B-1-1159; Factum of Oaktree Capital Management, L.P. and Hartree Partners, LP dated June 5, 2026 ("**Oaktree Factum**"), p. B-1-1200.

equipment without cash upfront or evidence of committed financing. A short-term bridge facility or reopening the DIP Process will do little, if anything, to restore confidence. Only the approval of a fully committed DIP Facility can stabilize the Debtors' operations and preserve stakeholder value.

6. ***Second***, the Objecting Bidder's complaints about fair treatment ring hollow. The Objecting Bidder was given the same opportunities on the same timeframes as the other bidders to improve its bid, and to do so based on the same information shared with all bidders. It was simply unable or unwilling to match what EDC is offering. And the Monitor agrees.

7. ***Third***, with respect to quantum, the winning EDC Proposal is tied directly to the Debtors' cash flows that were provided to all bidders (including the Objecting Bidder) and are required to fund operations through the completion of a SISP. Contrary to the assertions of the Objecting Bidder, the EDC DIP Facility does not represent overfunding at the expense of creditors. Instead, it preserves stakeholder value, ensures the continued operation of the Mine beyond 2027, and provides the best path to the successful completion of a SISP.

8. ***Finally***, the Objecting Bidder's allegations of prejudice are, at best, highly exaggerated. The Objecting Bidder has put forward no actual evidence from any of its many representatives to explain what prejudice they may suffer. Moreover, as the Objective Bidder's DIP proposal makes clear, the Objecting Bidder ***does not*** represent the entire universe of secured lenders of the Debtors. This means that the prejudice associated with "priming" arises regardless of which DIP proposal is selected. And the alleged "status quo" will change regardless of which DIP proposal is selected.

9. The Debtors and the Monitor both concluded that the EDC Proposal should be accepted because its terms are superior and because it provides stability and best advances

the purpose of the CCAA, which is to maximize value for all stakeholders. For these reasons, the Debtors ask this Court to give effect to the fair, robust and competitive DIP Process adopted by the Debtors and the Monitor, and approve the superior EDC DIP Facility that emerged from that DIP Process.

PART II – RESPONSE TO ALLEGATIONS OF THE OBJECTING BIDDER

10. The facts underlying this motion are more fully set out in the Affidavit of Celeste van Tonder sworn June 3, 2026 ("**Third van Tonder Affidavit**"),[5] the Second Report of the Monitor,[6] and the Affidavit of Celeste van Tonder sworn June 7, 2026 ("**Fourth van Tonder Affidavit**").[7] Key facts relevant to allegations of the Objecting Bidder are included in the Debtors' response below.

A. THE DEBTORS URGENTLY NEED APPROVAL OF THE EDC DIP FACILITY

11. The Objecting Bidder's proposal in the Oaktree Factum that the Court approve only an interim bridge facility,[8] the precise details of which remain unknown to the Debtors, fundamentally misunderstands the Debtors' pressing financial needs. Alternatively, they appear to be suggesting the DIP Process be reopened.

12. The Mine's remote Arctic location requires that all supplies, fuel, and equipment be shipped during a narrow 72-day open-water window at Milne Inlet. Only two sealifts are available this year (the first departs on July 8, 2026 and the second departs in August). To

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5 Affidavit of Celeste van Toder dated June 3, 2026 ("**Third van Tonder Affidavit**") [Motion Record of the Applicants ("**MR**"), Tab 2, pp. 9-42]. The Debtors further rely on the facts set out in the Affidavit of Celeste van Tonder dated May 14, 2026 ("**Initial Affidavit**") [MR, Tab 7, pp. 291-345] and the Affidavit of Celeste Van Tonder sworn May 20, 2026 ("**Comeback Affidavit**") [MR, Tab 8, pp. 346-360].

6 Second Report to the Court Submitted by FTI Consulting Canada Inc. in its Capacity as Monitor ("**Second Report of the Monitor**"), at p. E61.

7 Affidavit of Celeste Van Tonder sworn June 7, 2026 ("**Fourth van Tonder Affidavit**"), at paras. 7-15 [Responding Motion Record "**RMR**", Tab 1, pp. 3-5].

8 Oaktree Factum, at para. 28.

date, the Debtors' lack of secured financing and cash means that they have only containerized roughly 20% of the goods for the first shipment. That means that there is insufficient cargo for the first sealift vessel to leave port.[9]

13. Without credible evidence that full and committed funds exist to honour contractual obligations, the Debtors' suppliers are refusing to place orders for both the sealift and fulfil orders for daily operations, causing material delay and operational risk.[10] Many suppliers are relatively small and, in some cases, unsophisticated parties for whom this Court's Sealift Charge provides insufficient comfort.[11] Absent long-term committed financing, the Mine will be forced to curtail or cease operations, stakeholder recoveries will be impaired, and the Debtors' ability to conduct a robust SISP will be compromised.[12]

14. The liquidity crisis extends beyond the Debtors' supply chain. At least 19 employees have already quit, due in part to concerns about being stranded at the Mine if the Debtors cannot pay for their flights home.[13] Community confidence is equally at stake: the Mary River Mine represents approximately 25% of all economic activity in Nunavut, and Baffinland is the territory's largest private sector employer.[14] The Debtors must project stability to maintain the confidence of stakeholders, including the Qikiqtani Inuit Association. A short term bridge facility provides no remedy because it does not demonstrate the committed financial capacity to honour obligations beyond the week of July 3, 2026.[15] A reopening of the DIP process

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9 Fourth van Tonder Affidavit, at para. 18 [RMR, Tab 1, pp. 5-6].
10 Fourth van Tonder Affidavit, at para. 20 [RMR, Tab 1, p. 6].
11 Fourth van Tonder Affidavit, at para. 19 [RMR, Tab 1, p. 6].
12 Fourth van Tonder Affidavit, at para. 22 [RMR, Tab 1, p. 7].
13 Fourth van Tonder Affidavit, at para. 23 [RMR, Tab 1, p. 7].
14 Fourth van Tonder Affidavit, Exhibit "A" – Corey Larocque, "As Baffinland goes, so goes Nunavut", *Nunatsiaq News* (May 30, 2026), [RMR, Tab 1A, p. 17].
15 Fourth van Tonder Affidavit, at para. 21 [RMR, Tab 1, pp. 6-7].

perpetuates the instability.

15. The most compelling message for the Debtors' stakeholders would be that the Debtors and EDC, as agent for and representing the Government of Canada, have reached an agreement on committed financing to ensure the Mine's continued operation. That message would instil confidence in the Debtors' operations and ability to continue as a going concern.[16]

16. The Debtors urgently need approval of the full committed DIP Facility to avoid ceasing or curtailing operations and the devastating consequences that would have on the Debtors' creditors, employees, Inuit partners, and other stakeholders.[17]

B. THE DIP PROCESS WAS FAIR AND REASONABLE

17. The Objecting Bidder complains that: (i) the Ad Hoc Group had no notice that DIP financing was being solicited pre-CCAA filing until June 3, 2026; (ii) they were treated unfairly in the DIP Process because the Debtors "refused" to negotiate in good faith with the Objecting Bidder and held "backroom negotiations" with EDC during the DIP Process; (iii) management selected the EDC Proposal while in a conflict of interest; and (vi) DIP loans should not be approved where the process was insufficient or urgent.[18] None of these complaints reflect the reality of what transpired or the governing law.

(i) The Ad Hoc Group Had Notice of the Pre-Filing DIP Solicitation Process by May 15, 2026 at the Latest

18. At paragraph 16 of their factum, the Ad Hoc Group asserts that they only learned of the Debtors' pre-filing DIP solicitation process after they received the Third Van Tonder

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16 Fourth van Tonder Affidavit, at para. 24 [RMR, Tab 1, p. 7].

17 Third van Tonder Affidavit, at para. 46 [MR, Tab 2, p. 22].

18 Ad Hoc Group Factum, at paras. 21, 25, 28, 57 and 61; Oaktree Factum, at paras. 10, 20, 24, 26 and 28.

Affidavit on June 3, 2026.[19] That is incorrect.

19. Ms. Van Tonder states in her Initial Affidavit sworn May 14, 2026 that "in anticipation of the Debtors' liquidity needs during the CCAA Proceeding, FTI commenced a [DIP] solicitation process, which is still underway".[20] The Ad Hoc Group therefore knew about the pre-CCAA filing DIP solicitation process at the latest by May 14 or 15, 2026.

20. More fundamentally, the Ad Hoc Group has suffered no prejudice. The Ad Hoc Group is part of the same syndicate advancing the Objecting Bidder proposal as Oaktree. Oaktree was part of the pre-CCAA filing DIP solicitation process.[21] Anything of value Oaktree learned during that process could have been shared with the Ad Hoc Group when they banded together. The Ad Hoc Group has identified no specific or material information they could and should have known about in the DIP Process that they did not know about due to their alleged late discovery of the pre-CCAA solicitation process.

(ii) The DIP Process Treated all Parties Consistently and Fairly

21. The DIP Process undertaken by the Debtors and the Monitor was described in detail in the Third Van Tonder Affidavit[22], the Fourth Van Tonder Affidavit[23] and the Second Report.[24] The evidence establishes that the process treated all bidders equally. They were given the same access and the same opportunities to engage. Every bidder that signed an NDA received the same materials summarizing the Debtors' financing needs, including the DIP Budget showing funding requirements until December 2027, a corporate presentation,

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19 Ad Hoc Group Factum, at para. 16.
20 Initial Affidavit, at para 169 [MR, Tab 7, p. 343].
21 Second Report of the Monitor, at para. 28, p. E75.
22 Third van Tonder Affidavit, at paras. 51-70 [MR, Tab 2, pp. 25-30].
23 Fourth van Tonder Affidavit, at paras. 28-39 [RMR, Tab 1, pp. 8-12].
24 Second Report of the Monitor, at paras. 25-38, pp. E75-77.

13-week cash flow forecasts, and a draft DIP term sheet. All parties were asked to submit proposals, respond to issues lists, and submit final binding bids on the same timelines.

22. The Objecting Bidder alleges that the Debtors failed to respond[25] to or provided unclear feedback on the Objecting Bidder's bid.[26] Both allegations are without merit.

23. The Objecting Bidder received the same opportunities to improve its bid as EDC. After delivering term sheets on May 25, 2026, each bidder received a bespoke issues list identifying the Debtors' concerns with its proposal. On May 28, 2026, each bidder received a mark-up of its term sheet addressing covenants, representations, events of default, and other items flagged on the issues list. Both bidders had the same amount of time to address those comments in their final bids, due May 30, 2026.[27]

24. The Debtors were neither mercurial nor unresponsive. The Debtors attended multiple meetings with bidders during the two-week DIP Process to answer questions from bidders,[28] including on May 29, 2026, in advance of the final DIP proposal deadline.[29]

25. The allegation that the Debtors conveyed only "cryptic [or unclear] comments on the non-financial terms"[30] on the Objecting Bidder's bid is simply wrong. The issues list sent to the Objecting Bidder contained eight pages of detailed comments on all material terms, including the maturity date and the representations, covenants, and events of default of most concern to the Debtors.[31] The mark-up of the DIP term sheet sent on May 28, 2026 explicitly

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25 Ad Hoc Group Factum, at para. 21.
26 Oaktree Factum, at para. 23.
27 Fourth van Tonder Affidavit, at paras. 33-36 and 39 [RMR, Tab 1, pp. 10-12].
28 Third van Tonder Affidavit, at para. 68 [MR, Tab 2, p. 29].
29 Second Report of the Monitor, at para. 45, p. E79.
30 Ad Hoc Group Factum at para. 21; Oaktree Factum at para. 23.
31 Gordon Affidavit, Exhibit "F" – Email from the Monitor dated May 27, 2026, attached issue list [OBJMR, Tab 2, pp. B-1-268-276].

identified how the Objecting Bidder could improve its bid, including on economics.[32]

26. EDC improved its bid in response to feedback; the Objecting Bidder did not. That choice by the Objecting Bidder does not render the process unfair or warrant it being reopened.

27. Contrary to the allegations of the Objecting Bidder,[33] the Debtors did not engage unequally with EDC or have "backroom" discussions. EDC has confirmed as much.[34] The Debtors re-engaged EDC to prepare a final DIP Facility Loan Agreement only ***after*** all of the final bids were submitted on May 30, 2026 and ***after*** the Debtors and the Monitor had selected the EDC Proposal as superior on June 1, 2026.[35] Engagement with the successful bidder to clarify ambiguities and finalize documentation is both expected and appropriate.[36] It is also what the bidders were advised would happen after a successful party was selected.[37]

(iii) Management of the Debtors Were Not Conflicted

28. The Objecting Bidder alleges[38] that management of the Debtors acted on conflicts of interest when they selected the EDC Proposal. That allegation is pure speculation.

29. The Monitor participated in the meeting of Debtors' Operating Committee that culminated in the selection of the EDC Proposal on June 1, 2026 as the superior proposal.[39]

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32 Gordon Affidavit, Exhibit "H" – Email from Natalie Renner of Davies dated May 28, 2026, attached mark-up of DIP Facility Loan Agreement [OBJMR, Tab 2, pp. B-1-923-973].

33 Ad Hoc Group Factum, at para. 28; Oaktree Factum, at para. 25.

34 Written Submissions of Export Development Canada dated June 8, 2028 ("**EDC Written Submissions**"), at para. 11.

35 Second Report of the Monitor, at paras. 48-51, pp. E79-80; Third van Tonder Affidavit, at para. 70 [MR, Tab 2, p. 30].

36 Third van Tonder Affidavit, Exhibit "H" – Export Development Canada DIP Facility Loan Agreement dated June 3, 2026 [MR, Tab 2, pp. 145-75].

37 Gordon Affidavit, Exhibit "H" – Email from Natalie Renner of Davies dated May 28, 2026 [OBJMR, Tab 2, p. B-1-884].

38 Oaktree Factum, at paras. 26-27.

39 Second Report of the Monitor, at paras. 48-49, pp. E79-80.

The Monitor agrees with that decision,[40] and has reported that the Debtors have acted in good faith and with due diligence.[41] There is no evidence to the contrary.

(iv) Case Law Demonstrates the DIP Process was Sufficient and the DIP Facility Should be Approved

30. Throughout their submissions, the Objecting Bidder implies that fairness of the DIP Process (together with prejudice to secured creditors discussed below) is the defining criteria of whether a DIP loan should be approved,[42] and that approval should be refused where it is sought with manufactured urgency.[43] The Debtors agree that considerations of procedural fairness are critical. That is why they and the Monitor ran a fair and competitive DIP Process. But the case law does not support the Objecting Bidder's attempt to block the approval of the DIP Facility, particularly where, as here, the urgency is real and supported by the evidence.

31. For example, in *Re Port Capital Development (EV) Inc.*, a key case relied upon by the Objecting Bidder,[44] the British Columbia Supreme Court explicitly held that in CCAA proceedings "matters happen quickly and organically and often, decisions have to be made in what are urgent and complex circumstances".[45] The court held that the failure to provide technical and formal notice in that CCAA proceeding did not prevent the court from granting the relief sought.[46]

32. These same considerations apply here. The DIP Process had to be completed on an expedited basis given the Debtors' urgent cash needs associated with the Shipping Season.

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40 Second Report of the Monitor, at para. 49, p. E80.
41 Second Report of the Monitor, at para. 94, p. E96.
42 Oaktree Factum, at para. 19; Ad Hoc Group Factum, at para. 34.
43 Oaktree Factum, at paras. 6 and 13-17.
44 Oaktree Factum, at para. 19; Ad Hoc Group Factum, at para 34.
45 *Port Capital Development* at para. 65.
46 *Port Capital Development* at para. 73.

Port Capital Development teaches that the business judgment of the Debtors and the oversight of the Monitor in these fast-paced and complex circumstances should be given considerable weight by this Court.

33. The Objecting Bidder's reliance on *Re Great Basin Gold Ltd.* is similarly misplaced. Although the BC Supreme Court cautioned counsel in that case about pressuring the court to make decisions based on "manufactured urgencies", the court recognized that it would be legitimately called upon to make decisions without full information in many CCAA situations because CCAA proceedings tend to give rise to legitimate and unavoidable urgency. In those situations, the court held that it would rely upon input from the Monitor.[47] In this case, the Monitor supports the EDC Proposal.

34. Once again, *Great Basin* supports the Debtors' position on this motion. The request for approval of the DIP Facility is brought due to genuine urgency caused by the seasonality of the Debtors' operating expenses. Hundreds of millions of dollars of operating expenses must be incurred or committed if the Debtors are to be able to preserve their business for the next year.[48] That is not an artificial cash crunch caused by the Debtors. It is a reality of the ordinary cyclical nature of a business operated on an island in the Arctic Circle. Moreover, the Monitor has rendered a detailed Second Report that supports all of the relief sought by the Debtors on this motion.[49]

35. The jurisprudence establishes that DIP loans may be approved by the Court even where the process followed to arrive at the motion before the Court may be expedited.[50] In

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47 *Re Great Basin Gold Ltd.*, 2012 BCSC 1459 ("***Great Basin***"), at paras. 182-183.
48 Fourth van Tonder Affidavit, at paras, 16-27 [RMR, Tab 1, pp. 5-8].
49 Second Report of the Monitor, at para, 10, p. E103.
50 *Port Capital Development*, at para. 73; *Great Basin*, at para. 205.

any event, there is no prejudice arising in this case from the timing of this motion given that it has been adjourned for several days to permit cross-examinations of the Debtors' representative to take place. Courts have repeatedly recognized the real urgency in cases of this nature, and have approved DIP financing.

C. THE AMOUNT OF THE DIP FACILITY IS REQUIRED AND SUPPORTED BY THE DEBTORS' DIP BUDGET

36. The Objecting Bidder asserts that the size of the DIP Facility "far exceeds the Debtors' own cash flow requirements".[51] They further allege that the Court has no "statutory authority" to approve the DIP Facility[52] because the Objecting Bidder provides the Debtors with sufficient funding.[53] These assertions are incorrect.

37. Contrary to the assertions of the Objecting Bidder, the quantum of the DIP Facility is directly supported by the cash flow information provided to all bidders during the DIP Process.[54] Moreover, the Debtors warned the Objecting Bidder during the DIP Process to consider whether the quantum of its proposed $300 million facility would be sufficient.[55] In any event, as explained below, this Court has the "statutory authority" to approve the DIP Facility. The Objecting Bidder is therefore mistaken in alleging that some portion of the DIP Facility is being advanced and secured with a DIP Charge without reason.

(i) The EDC Proposal Reflected the Cash Needs in the DIP Budget

38. The DIP Budget provided to all bidders forecast approximately $400 million in cash needs through 2027, even excluding discretionary amounts for exploration and the Steensby

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51 Ad Hoc Group Factum, at para. 24.
52 Ad Hoc Group Factum, at para. 1.
53 Ad Hoc Group Factum, at para. 32.
54 Fourth van Tonder Affidavit, at para. 30 [RMR, Tab 1, p. 9].
55 Fourth van Tonder Affidavit, at para. 35 [RMR, Tab 1, p. 11].

Railway.[56] The EDC Proposal includes a loan in the principal amount of $400 million, potentially increasing to $475 million in certain circumstances where the Debtors' offtake arrangements require replacement or renewal. This amount was deliberately sized to fund the Debtors' operating needs over the 18-month period contemplated in the DIP Budget, a period that corresponds to the anticipated timeline for the SISP.

39. EDC's own analysis confirms this alignment between the facility size and the Debtors' projected needs, as reflected in their submissions.[57]

40. The 18-month horizon is not arbitrary. As the Monitor states in the Second Report: "[i]t is intended that the closing of a transaction [generated through the anticipated SISP] is to occur within 18 months of the issuance of the Initial Order".[58] Given that the Initial Order was issued on May 15, 2026, that timeline runs to November 2027. A DIP facility that does not fund the Debtors through this period is one that fails at its most basic purpose.

41. The DIP Budget demonstrates why the full $400 million revolving facility is necessary. Each year, the Debtors must incur significant sealift expenses well in advance of the subsequent operating year, and 2027 is no exception. Procurement and sealift expenses and commitments for the 2028 operating year will commence in the first half of 2027 and are projected in the DIP Budget to exceed $100 million. The EDC DIP Facility is the only proposal that recognizes and addresses these critical near-term expenditures in connection with the 2027 sealift.

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56 Second Report of the Monitor at para. 69, p. E90. The Monitor advised bidders that the DIP Budget included approximately $60 million in capital spending for the Steensby Railway that the Monitor did not support during the DIP Process.

57 EDC Written Submissions, at para. 11.

58 Second Report of the Monitor, at para 69. p. E90.

42. The Objecting Bidder dismisses the larger size of the EDC DIP Facility as mere "cushion".[59] This mischaracterizes the purpose of the Facility. The DIP Facility is not a buffer for discretionary spending. It is sized to fund the 2028 sealift expenditures, procurement and commitments for which must begin in 2027. A $300 million facility, being the amount the Objecting Bidder offers, is insufficient to cover those costs as projected in the DIP Budget, particularly given the volatility in commodity and fuel prices. Under the Objecting Bidder's proposal, the Debtors would have adequate liquidity only until mid-2027, which is precisely when they must procure all sealift supplies for the 2028 operating year. At that critical juncture, the CCAA proceeding would severely constrain access to alternative financing, putting at risk (again) the Mine's continued operations, the integrity of the SISP, and any prospect of meaningful stakeholder recoveries.[60]

43. The practical consequence of the Objecting Bidder's proposal is stark. If accepted, the Debtors would in all likelihood be required to seek an amendment to their existing financing arrangement, or to conduct a further DIP solicitation process, at the twelve-month mark. This would occur during sealift season, when the Debtors face a critical cash crunch, and before the SISP can be completed. Given the highly volatile nature of world events, there is no guarantee that further DIP financing would be available at that time, or on what terms it might be offered and who the Debtors would be negotiating with.[61] Any dispute over such financing would divert management's attention away from operating the business and executing the SISP, risking serious harm to stakeholders.

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59 Ad Hoc Group Factum, at para. 39.

60 Fourth van Tonder Reply Affidavit, at para. 43 [RMR, Tab 1, p. 13].

61 The Objecting Bidder's proposal allows their loan to be assigned to those the lenders advise without the Borrowers' consent. See the Gordon Affidavit, Exhibit "I" – Email from Philip Yang of Stikeman dated May 30, 2026, attached DIP Facility Loan Agreement, s. 38. See s. 41 for the definition of "Eligible Assignee" and "Related Fund" [OBJMR, Tab 2, pp. B-1-1010-1014].

44. By contrast, the EDC DIP Facility provides guaranteed financing over the entire term of the anticipated SISP in accordance with the Debtors' cash flow forecasts, at margins locked in today. Its approval would provide the stability the Debtors' operations require and lay the foundation for a fair and competitive SISP. The Debtors and the Monitor were right that the EDC Proposal is the superior proposal. It should be approved.

(ii) The Debtors Advised the Objecting Bidder that the $300 Million Facility Offered in the Oaktree Proposal was Insufficient

45. The Objecting Bidder asserts that its proposal offers a facility in the "exact amount"[62] requested by the Debtors in the DIP Process ($300 million) and that the Debtors engaged in a "bait and switch"[63] by negotiating a larger facility with EDC. These assertions are misleading and divorced from the DIP Process.

46. All parties that signed NDAs received the DIP Budget and a draft DIP Term Sheet, among other things. While the DIP term sheet referenced a $300 million DIP loan,[64] that initial request for bids was tied to an undefined "Maturity Date".[65] The DIP term sheet also attached 13-week cash flow forecasts that showed the Debtors required approximately $184 million in DIP financing for the period June 2026 to August 2026 alone.[66]

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62 Ad Hoc Group Factum at paras. 3, 10 and 19; Oaktree Factum at para. 3.

63 Ad Hoc Group Factum, at para. 21.

64 Third van Tonder Affidavit, Exhibit "E" – DIP Term Sheet and 13-week Cash Flow Report of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, and 12334992 Canada Inc., s. 7 [MR, Tab 2, p. 87].

65 Third van Tonder Affidavit, Exhibit "E" – DIP Term Sheet and 13-week Cash Flow Report of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, and 12334992 Canada Inc., s. 20 [MR, Tab 2, p. 92].

66 Third van Tonder Affidavit, Exhibit "E" – DIP Term Sheet and 13-week Cash Flow Report of Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, and 12334992 Canada Inc., s. 20 [MR, Tab 2, p. 92].

47. The Objecting Bidder's initial bid, submitted on May 25, 2026 set a 12-month maturity date for a $300 million facility.[67] On May 28, 2026, before final bids were due on May 30, the Debtors advised the Objecting Bidder that its proposed facility size should be reconsidered. In a marked-up version of the Objecting Bidder's draft term sheet, the Debtors square-bracketed [$300 million] and directed the Objecting Bidder to "[c]onsider [the] size of the DIP Facility Amount," noting it did not appear to cover advisory fees and key employee retention plan payments.[68] In that same mark-up, the Debtors requested financing for 18 months rather than 12 months.[69]

48. The Objecting Bidder submitted its final bid (the Oaktree Proposal) on May 30, 2026. The Oaktree Proposal did not increase the facility size or extend the term beyond 12 months, except for a right to extend the term for up to two additional three-month periods, with each extension subject to a fee.[70] It is obvious based on the DIP Budget presented to the bidders that the Oaktree Proposal would not support such extensions. In other words, and in contrast to the EDC Proposal, the Objecting Bidder's final bid was not sized to fund the Debtors through the entire length of the 18-month anticipated SISP.

49. The same DIP Budget was provided to all parties. That budget clearly set out the Debtors' sealift expenditures and demonstrated that cash needs exceed $300 million if the Debtors are to run a SISP and close a resulting transaction by the fourth quarter of 2027, even assuming the Offtake Agreements with IRH remain in place. All parties had equal

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67 Gordon Affidavit, Exhibit "E" – Email from Philip Yang of Stikeman dated May 25, 2026, attached DIP Facility Loan Agreement, ss. 7 and 21 [OBJMR, Tab 2, pp. B-1-671-678].

68 Gordon Affidavit, Exhibit "H" – Email from Natalie Renner of Davies dated May 28, 2026, attached DIP Facility Loan Agreement, s. 2, footnote 2 [OBJMR, Tab 2, p. B-1-886].

69 Gordon Affidavit, Exhibit "H" – Email from Natalie Renner of Davies dated May 28, 2026, attached DIP Facility Loan Agreement, s. 21(d) [OBJMR, Tab 2, pp. B-1-893-894].

70 Gordon Affidavit, Exhibit "I" – Email from Philip Yang of Stikeman dated May 30, 2026, attached DIP Facility Loan Agreement, ss. 7 and 21 [OBJMR, Tab 2, pp. B-1-984-994].

access to this information and the means to determine the Debtors' actual cash requirements, particularly given the significant cash outlays required during the annual June-to-September sealift season.

50. The Debtors gave the Objecting Bidder every reasonable opportunity within the constraints of a fast-paced DIP Process to improve its offer in both facility size and loan term. The Objecting Bidder declined to do so and was outbid by EDC in a fair and competitive process.

(iii) This Court Has the Statutory Authority to Approve the DIP Facility

51. The Objecting Bidder relies on two cases for the proposition that this Court has no statutory authority to approve the DIP Facility because the quantum of the DIP Facility is allegedly unsupported by the Debtors' cash flow projections: (i) *Industrial Properties Regina Limited v Copper Sands Land Corp.*;[71] and (ii) *Re Tepper Holdings Inc*.[72] Neither case cited stands for the extraordinary proposition for which it is advanced.

52. In *Industrial Properties*, the Saskatchewan Court of Appeal reversed the trial judge's approval of a DIP loan because it was not funding working capital,[73] but rather primarily advancing a capital project[74] strongly opposed by creditors,[75] and there was no evidence of urgent circumstances necessitating the loan.[76] In contrast, the DIP Facility requested here is

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71 *Industrial Properties Regina Limited v Copper Sands Land Corp.*, 2018 SKCA 36 ("***Industrial Properties***").

72 *Re Tepper Holdings Inc.*, 2011 NBQB 311 ("***Tepper Holdings***").

73 *Industrial* Properties, at para. 49.

74 *Industrial Properties*, at para. 3.

75 *Industrial Properties*, at para. 3.

76 *Industrial Properties*, at para. 45.

almost entirely for the purpose of funding working capital and maintaining the status quo.[77]

53. *Tepper Holdings* is no better for the Objecting Bidder. In that case, the Monitor did not support the size of the DIP loan sought by the debtor and there was no cash flow support for the size of the loan either.[78] Here, by contrast, the Monitor supports the DIP Facility and has explained why it is superior. Those reasons include because "[b]ased on the Debtors' cash flow forecasts […] and the estimated timing for the SISP […] it is believed that the DIP [Facility] provides sufficient liquidity to fund the Debtors' operations and the costs of the[se] CCAA Proceedings until the completion of the SISP".[79]

54. Unlike *Industrial Properties* and *Tepper Holdings*, the Debtors' request for approval of the DIP Facility falls comfortably within the scope and purpose of section 11.2 of the *CCAA*. The DIP Budget shows that the quantum of financing provided by the EDC Proposal is required to sustain ordinary operations and maintain the status quo until the completion of the SISP, and the Monitor supports that assessment.[80]

D. CLAIMS OF CREDITOR PREJUDICE ARE OVERSTATED AND OUTWEIGHED BY THE INTERESTS OF STAKEHOLDERS GENERALLY

55. The Objecting Bidder complains generally in its factums that it stands to be uniquely prejudiced if the DIP Facility is approved. Its arguments in this regard can be distilled into four

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77 The comparatively small amount of $30 million of $400 million in total funding allocated for the Steensby Railway and exploration activities is a world away from the more than 60% of DIP funds allocated to building a capital project in Industrial Properties. See *Industrial Properties*, at para. 7. Moreover, the permitted expenses on account of the Steensby Railway and exploration here are not meant to advance those projects. Instead, they are expenses recognized and approved by the Monitor to maintain the status quo of those projects and preserve their value in a SISP.

78 *Tepper Holdings*, at paras. 45 and 55-67.

79 Second Report of the Monitor, at para 70. p. E90.

80 The Ad Hoc Group also claims that DIP financing opposed by secured creditors should only be approved if some "extraordinary threshold" is met. Tellingly, no case is cited for this proposition of law. In fact, this Court and courts of coordinate jurisdiction have frequently approved DIP financing over the objections of secured creditors.

groups: (i) submissions regarding the supposed overwhelming quantum of secured debt represented by the Objecting Bidder; (ii) submissions concerning how imposing the Objecting Bidder will allegedly maintain the “status quo”; (iii) submissions about how approving a DIP loan over the objections of a secured creditor is somehow extraordinary or rarely granted; and (iv) submissions concerning the purportedly unprecedented size of the DIP Facility. None of these submissions withstand scrutiny.

(i) The Debtors Exaggerate their Representation of Secured Creditors

56. The Objecting Bidder ignores the fact that a significant block of secured creditors are not aligned with their opposition to the EDC Proposal.[81] The reality is that $247.5 million of the Debtors’ approximate $777 million of total secured debt[82] is *not represented* by the Objecting Bidder.

57. This Court should be mindful to guard against the Objecting Bidder’s sweeping representations that they somehow speak for all secured creditors with one voice. There is, in fact, a sizeable group of secured creditors, including EDC, that do not believe that the Objecting Bidder’s DIP proposal should be imposed on the Debtors.

(ii) The Objecting Bidder’s Proposal Changes the Status Quo

58. A central pillar of the Objecting Bidder’s argument on this motion is that the EDC Proposal alters the status quo, but that the Objecting Bidder’s proposal somehow does not.[83] That is false. Indeed, the very concept of a “status quo” to be preserved here is illusory.

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81 Ad Hoc Group Factum, at paras. 3, 5 and 13.

82 Initial Affidavit, at paras. 89-91 [MR, Tab 7, pp. 321-322].

83 Oaktree Factum at paras. 11 and 39; Ad Hoc Group Factum at para. 28.

59. The Debtors are in CCAA protection. The Oaktree Credit Facility was fully drawn prior to these proceedings and no further borrowings are available.[84] The Debtors face an imminent funding gap that, if unaddressed, will force a shutdown of operations. There is no status quo to preserve, only the question of how this Court ensures the Debtors can continue operating and complete a SISP for the benefit of all stakeholders.

60. The Objecting Bidder seeks approval of its DIP as the least prejudicial alternative, on the basis that doing so preserves the existing state of affairs. That characterization is insincere. Any DIP facility, whether the EDC Proposal or the Objecting Bidder's, necessarily disrupts the pre-filing capital structure. DIP financing is, by its very nature, a departure from the status quo. To suggest that one DIP preserves the status quo while the other does not ignores the fundamental reality of what this Court is being asked to do.

61. Both proposals will "prime" different groups of secured creditors.[85] While the EDC Proposal primes the Objecting Bidder, the Objecting Bidder's proposal primes the holders of at least $247.5 million of the Debtors' secured debt, including EDC. The argument that this Court must preserve creditor priority is therefore unconvincing because no such status quo exists in the context of DIP financing. Any steps taken to save the Debtors' business from shutdown will alter the ranking of creditors.

62. The Objecting Bidder also asserts that prejudice can be avoided by imposing its proposal because the effects can be unwound at the return of the full motion on June 30, 2026, should the EDC Proposal ultimately prevail. But the same applies equally to the EDC Proposal, which likewise imposes no refinancing fees if the Court decides on June 30, 2026

[84] Initial Affidavit, at para. 98 [MR, Tab 7, p. 323].
[85] Second Report of the Monitor, at paras. 79-80, pp. E92-93.

that the Debtors should proceed with the Objecting Bidder.[86] There is accordingly no difference in prejudice between the two proposals for the bridge financing period, other than the prejudice stakeholders would suffer if the inferior Objecting Bidder's proposal is forced upon the Debtors.

63. The real inquiry is not which proposal disturbs the status quo the least, but rather which better serves the interests of all stakeholders. What matters today is that there is a fully committed DIP Facility from EDC that signals stability and provides the Debtors with the funding urgently needed to run their operations and complete a SISP. For all of the reasons above and stated in the Debtors' factum dated June 4, 2026, the EDC Proposal clearly best serves all stakeholders.

(iii) The Law Does Not Support the Objecting Bidder's Assertion that DIP Loans Approved Over Secured Creditor Objections are Extraordinary

64. Although courts have opined that DIP financing should only be approved if the benefits of doing so outweigh the prejudice to secured creditors,[87] that standard has been comfortably surpassed in this case. The Debtors have marshalled a tremendous amount of evidence demonstrating clearly why the benefits of the DIP Facility to stakeholders generally far outweigh the prejudice to the Objecting Bidder.[88]

65. The Objecting Bidder incorrectly asserts that approval of a DIP loan over secured creditors' objections is somehow extraordinary or should not be granted where secured creditors have put forward their own proposal.[89] But none of the cases they rely upon in this

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86 Third van Tonder Affidavit, Exhibit "H " – Export Development Canada DIP Facility Loan Agreement dated June 3, 2026, s. 8 [MR, Tab 2H, pp. 146-147].

87 *Re AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6453, at para. 16.

88 Fourth van Tonder Affidavit, paras, 14-15 and 40-45 [RMR, Tab 1, pp. 4-5 and 12-14]; Third van Tonder Affidavit, at paras. 50 and 77-93 [MR, Tab 2, pp. 23 and 32-38].

89 Oaktree Factum at paras. 10 and 36.

regard *Re Crystallex International Corporation*,[90] *Re Canacol Energy Ltd.*,[91] *Re Inca One Gold Corp.*,[92] *Re Quest University Canada*,[93] and *Re Temple City Housing Inc.*)[94] actually stand for those propositions.

66. *Crystallex* did not even involve a secured creditor. At issue was whether a stranger to the debtor's unsecured capital stack should be permitted to provide DIP financing. The Court held that it should, because the alternative DIP loan proposed by existing *unsecured* creditors was inferior to the third party DIP financing.[95] *Crystallex* is therefore inapplicable to the case at bar, which concerns an existing secured lender of the Debtors (*i.e.*, EDC) providing DIP financing on terms that are superior to the competing DIP proposal of other secured lenders.

67. *Canacol* is of no more assistance to the Objecting Bidder. Contrary to the Objecting Bidder's assertion, that case does not stand for the proposition that a priming DIP loan should only be approved as a "last resort" where no other secured creditor has offered an alternative DIP loan.[96] The court in *Canacol* noted only that the lack of an alternate DIP proposal was a factor in its decision to approve the DIP loan in question.[97] *Canacol* is, in fact, yet another example of a case where the court has approved a priming DIP loan over the objections of a secured creditor.[98]

68. *Inca* is also distinguishable and of little, if any relevance, here. The court in that case

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90 *Re Crystallex International Corporation*, 2012 ONSC 2125 ("***Crystallex***").
91 *In the matter of Canacol Energy Ltd. et al.* (December 11, 2025), Court of King's Bench of Alberta (Action No. 2501-18462), Decision of Mah, J ("***Canacol***"), upheld on appeal *Re Canacol Energy Ltd*, 2026 ABCA 57 at paras. 3-4 and 15.
92 *Re Inca One Gold Corp.*, 2024 BCSC 1478 ("***Inca***").
93 *Re Quest University Canada*, 2020 BCSC 318 ("***Quest***").
94 *Re Temple City Housing Inc.*, 2007 ABQB 786 ("***Temple City***").
95 *Crystallex*, at paras. 91 and 94.
96 Ad Hoc Group Factum, at para. 6.
97 *Canacol*, at pp. 8 and 11.
98 *Canacol*, at p. 11.

did not hold that a priming DIP loan is only appropriate where the secured creditors fail to provide alternate financing. Rather, the court was concerned that the cheaper of two competing DIP proposals provided the lender with too much control over the debtor. Largely for this reason, the court approved the debtor's choice of a more expensive DIP facility because it allowed the debtor to maintain more control of its operations.[99] *Inca*, therefore, supports the Debtors' request to approve the EDC Proposal because the EDC Proposal provides the Debtors with more control over their business than the Objecting Bidder, which is riddled with control rights in favour of the Objecting Bidder.

69. *Quest* is in the same vein. There, the court approved one DIP loan over another because the rejected DIP facility was a "not-so transparent attempt to seize control" of the debtor.[100] The fact that the senior secured lenders in *Quest* did not submit a DIP proposal was not a defining factor in the analysis. Again, *Quest* supports the Debtors' position in this motion.

70. And finally, although the court in *Temple City* appropriately recognized that prejudice to secured creditors is a consideration in the approval of a DIP facility, the case actually stands for the proposition that a DIP facility that benefits all stakeholders *should be approved* even if it prejudices secured creditors.[101] Once again, that is precisely this motion. The benefits of the EDC Proposal for stakeholders generally outweigh any prejudice to the Objecting Bidder. That assessment is supported by the Monitor.

(iv) The DIP Facility is Not Unprecedented in Size

71. The Objecting Bidder is mistaken when they assert that the DIP Facility is somehow

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99 *Inca*, at paras. 45 and 57.
100 *Quest*, at para. 99.
101 *Temple City*, at para. 14.

of a historic quantum.[102] In reality, there have been a number of insolvency proceedings in this country with DIP financings of similar and much greater proportions. A table of such examples is included in **Schedule "C"**.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 9th day of June, 2026.

DAVIES WARD PHILLIPS & VINEBERG LLP

Lawyers for the Applicants and Baffinland Iron Mines LP

102 Ad Hoc Group Factum, at para. 9.

SCHEDULE A

LIST OF AUTHORITIES

Caselaw

1. *Canacol Energy Ltd (Re)*, 2026 ABCA 57.
2. *In the matter of a plan or arrangement of Sears Canada Inc., et al.* (June 22, 2017), Ontario Superior Court of Justice, Commercial List (Court File No. CV-17-11846-00CL).
3. *In the matter of Canacol Energy Ltd. Et al.* (December 11, 2025), Court of King's Bench of Alberta (Action No. 2501-18462), Decision of Mah, J.
4. *Industrial Properties Regina Limited v Copper Sands Land Corp.*, 2018 SKCA 36.
5. *Quebecor World Inc. (Arrangement relatif à),* 2008 QCCS 134.
6. *Re AbitibiBowater inc. (Arrangement relatif à)*, 2009 QCCS 6453.
7. *Re Air Canada,* 2003 CanLII 41831 (ONSC).
8. *Re Crystallex International Corporation*, 2012 ONSC 2125.
9. *Re Great Basin Gold Ltd.*, 2012 BCSC 1459.
10. *Re Inca One Gold Corp.*, 2024 BCSC 1478.
11. *Re Port Capital Development (EV) Inc.*, 2022 BCSC 1655.
12. *Re Quest University Canada*, 2020 BCSC 318.
13. *Re Smurfit-Stone Container Canada Inc.*, 2009 CanLII 2493 (ONSC).
14. *Re Temple City Housing Inc.*, 2007 ABQB 786.
15. *Re Tepper Holdings Inc.*, 2011 NBQB 311.
16. *Re TOYS "R" US (CANADA) LTD.*, 2017 ONSC 5571.
17. *Royal Bank v. Soundair Corp.*, [1991] CarswellOnt 205
18. Tacora Resources Inc. (Re), 2023 ONSC 6126
19. *Terrace Bay Pulp Inc. (Re)*, 2012 ONSC 4247.

Legislation

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36

2. *Courts of Justice Act*, R.S.O. 1990, c. C.43

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 (rule 4.06.1(2.2)).

Date June 9, 2026

Signature

SCHEDULE B

TEXT OF RELEVANT STATUTES

1. ***Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36**

General power of 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.

Relief reasonably necessary

11.001 An order made under section 11 at the same time as an order made under subsection 11.02(1) or during the period referred to in an order made under that subsection with respect to an initial application shall be limited to relief that is reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that period.

[…]

Stays, etc. — other than initial application

11.02(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

> (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
>
> (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

11.02(3) The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

11.02(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

[…]

Interim Financing

11.2(1) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge — in an amount that the court considers appropriate — in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.

Priority — secured creditors

11.2(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

Priority — other orders

11.2(3) The court may order that the security or charge rank in priority over any security or charge arising from a previous order made under subsection (1) only with the consent of the person in whose favour the previous order was made.

Factors to be considered

11.2(4) In deciding whether to make an order, the court is to consider, among other things,

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

(b) how the company's business and financial affairs are to be managed during the proceedings;

(c) whether the company's management has the confidence of its major creditors;

(d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;

(e) the nature and value of the company's property;

(f) whether any creditor would be materially prejudiced as a result of the security or charge; and

(g) the monitor's report referred to in paragraph 23(1)(b), if any.

2. ***Courts of Justice Act*, R.S.O. 1990, c. C.43**

Sealing documents

137(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

SCHEDULE C

EXAMPLES OF DIP FACILITIES

Applicant	Year	Industry	Size of Initial DIP	Summary
Toys "R" Us	2017	Retail	US$500 million	Applicant and American parent were in default under facilities cumulatively worth US$325 million.[103] The DIP was necessary for the applicant to re-pay its pre-filing credit facilities and fund cash flow leading into the holiday season.[104] The DIP terms were lengthy and complex, so the Court was reliant on the Monitor's assessment. Importantly, there did not appear to be any "loan-to-own" terms.[105]
Sears	2017	Retail	$450 million	Handwritten endorsement.[106]
Smurfit-Stone	2009	Paper	US$350 million	Applicant had over US$750 million in outstanding obligations.[107] Court noted that an extensive DIP solicitation process was undertaken.[108] Successful restructuring was reliant on restructuring of applicant's American entities, and significant funding was

103 *Re TOYS "R" US (CANADA) LTD.*, 2017 ONSC 5571 ("***TOYS "R" US***"), at paras. 4-5.

104 *TOYS "R" US*, at para. 10.

105 *TOYS "R" US*, at para. 11.

106 *In the matter of a plan or arrangement of Sears Canada Inc., et al. on* (June 22, 2017), Ontario Superior Court of Justice, Commercial List (Court File No. CV-17-11846-00CL).

107 *Re Smurfit-Stone Container Canada Inc.*, 2009 CanLII 2493 (ONSC) ("***Smurfit-Stone Container***") at para. 13.

108 *Smurfit-Stone Container*, para. 17.

<u>**Applicant**</u>	<u>**Year**</u>	<u>**Industry**</u>	<u>**Size of Initial DIP**</u>	<u>**Summary**</u>
				required to affect this.[109]
Quebecor	2008	Printing	US$1 billion	Applicant had a total of nearly $3 billion in outstanding obligations.[110] The quantum of the DIP was warranted given how heavily indebted the Applicant was.[111]
Air Canada	2003	Airline	US$700 million	DIP was necessary to allow for continued operations and flights during the stay period.[112]

109 *Smurfit-Stone Container*, at para, 18.
110 *Quebecor World Inc. (Arrangement relatif à)*, 2008 QCCS 134 ("***Quebecor World***") at para. 4.
111 *Quebecor World*, at para. 7.
112 *Re Air Canada*, 2003 CanLII 41831 (ONSC) at para. 5.

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

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