Court File No. CL-26-00000219-0000

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

THIRD REPORT OF THE MONITOR

July 26, 2026

FTI CONSULTING

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

INTRODUCTION

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

2. On May 25, 2026, the Applicants sought and obtained an Amended and Restated Initial Order under the CCAA granting, *inter alia*, an extension to the Stay of Proceedings in favour of the Debtors, an increase in the Administration Charge, and an increase in the D&O Charge.

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

4. Following the granting of the SARIO at the hearing on June 10, 2026, Oaktree Capital Management, LP and Hartree Partners, LP (the "**First Secured Lenders**"), the Ad Hoc Committee of holders of the 8.750% senior secured notes due 2026 (the "**Ad Hoc Noteholders**" and, together with the First Secured Lenders, the "**Senior Secured Lenders**"), the DIP Lender, and the Debtors, along with the Monitor, engaged in steps to progress matters leading up to the June 30 Hearing, including the exchange of affidavits and commencement of cross-examinations.

5. On June 26, 2026, the Senior Secured Lenders, the DIP Lender and the Debtors agreed to final, definitive settlement terms (the "**DIP Settlement Agreement**"), pursuant to which, in exchange for the support of the Senior Secured Lenders for the EDC DIP Facility, the Senior Secured Lenders were granted certain consent, collaboration, information and participation rights in the CCAA Proceedings, as set out in the DIP Settlement Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TERMS OF REFERENCE

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

9. Except as otherwise described in this Third Report:

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

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

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

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

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

EXECUTIVE SUMMARY

13. The Monitor is of the view that:

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) attending certain meetings of the Operating Committee;

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

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

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

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

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

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

(k) preparing this Third Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECEIPTS AND DISBURSEMENTS FOR THE PERIOD ENDED JULY 17, 2026

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

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

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

25. Explanations for the key variances are as follows:

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

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

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

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

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

CRO SELECTION PROCESS

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

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

(a) a CRO shall be selected with the support of the DIP Lender and the Senior Secured Lenders in accordance with the terms set out in the DIP Settlement Agreement from among the candidates set out in the side letter among the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRANSACTION ADVISOR SOLICITATION PROCESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE CRO APPROVAL ORDER

APPOINTMENT OF CRO

The Proposed CRO

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

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

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

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

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

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

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

The CRO Engagement Letter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The CRO Fee Charge & the CRO Tiered Success Fee Charge

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

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

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

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

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

NEXT STEPS IN THE CCAA PROCEEDINGS

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

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

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

The Monitor respectfully submits to the Court this Third Report.

Dated this 26th day of July, 2026.

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

Jeffrey Rosenberg
Senior Managing Director

Greg Watson
Senior Managing Director

Appendix A

Settlement Approval Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 30th
	)	
MADAM JUSTICE STEELE	)	DAY OF JUNE, 2026

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

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

Applicants

SETTLEMENT APPROVAL ORDER

THIS MOTION, made by Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation and 12334992 Canada Inc. (collectively, the "**Applicants**"), Oaktree Capital Management, L.P., Hartree Partners, LP, the Ad Hoc Committee of Senior Secured Noteholders, and Export Development Canada (collectively, the "**Secured Lenders**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended for an Order approving the terms set out in a term sheet titled "Settlement of DIP Financing Litigation" and that certain side letter among the Settlement Parties (as defined below) each dated June 26, 2026, attached to the Affidavit of Alison Babbitt, sworn June 27, 2026 (collectively, the "**Settlement**"), was heard this day by judicial videoconference.

ON READING the Affidavit of Alison Babbitt, sworn June 27, 2026, the Second Report of FTI Consulting Canada Inc., as Monitor (the "**Monitor**"), and the first and second supplement thereto, and the Joint Aide Memoire of the Secured Lenders and the Applicants dated June 29, 2026, and on hearing the submissions of counsel for the Applicants and Baffinland Iron Mines LP (collectively, the "**Debtors**" and each a "**Debtor**"), counsel for the Secured Lenders, counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the lawyer's certificate of service, filed:

SETTLEMENT

1. **THIS COURT ORDERS** that the Settlement, on the terms set out in Exhibit "A" and Confidential Exhibit "B" to the Affidavit of Alison Babbitt, sworn June 27, 2026, are fair, reasonable and appropriate and are hereby approved in their entirety. The Debtors, Export Development Canada, Oaktree Capital Management, L.P., Hartree Partners, LP, Polen Capital Credit, LLC and Brigade Capital Management LP (the "**Settlement Parties**") and the Monitor are hereby authorized and directed to perform the terms of the Settlement and their respective obligations thereunder.

SEALING

2. **THIS COURT ORDERS** that, subject to paragraph 3 hereof, as applicable, the following information (the "**Confidential Materials**") shall be sealed and filed under a protective order and not form any part of the public record in this proceeding except as otherwise provided herein:

(a) Confidential Exhibit "D" to the Affidavit of Celeste van Tonder, sworn June 4, 2026;

(b) Confidential version of the Affidavit of David Nicoll sworn June 14, 2026;

(c) Confidential Exhibit "A" to the Affidavit of Marcelo Messer affirmed June 15, 2026; and

(d) Confidential Exhibit "B" to the Affidavit of Alison Babbitt, sworn June 27, 2026.

3. **THIS COURT ORDERS** that the public, redacted versions of the Confidential Materials listed in paragraph 2 shall remain public in these proceedings and be filed with the Court and uploaded to Case Center.

4. **THIS COURT ORDERS** that no party shall copy or disseminate the Confidential Materials, except that the Confidential Materials may be disclosed to the Settlement Parties or their counsel. The Settlement Parties and their counsel shall not copy or further disseminate the Confidential Materials except as authorized by the Debtors or by further order of this Court.

GENERAL

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

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

Jana Steele

Digitally signed by Jana Steele
Date: 2026.06.30 10:56:24 -04'00'

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
	SETTLEMENT APPROVAL ORDER

STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street Toronto, Canada M5L 1B9 **Daniel S. Murdoch** **LSO#: 53123L** Email: dmurdoch@stikeman.com Tel: +1 416-869-5529 **Maria Konyukhova** **LSO#: 52280V** Email: mkonyukhova@stikeman.com Tel: +1 416-869-5230 Lawyers for the First Secured Lenders	**CASSELS BROCK & BLACKWELL LLP** Suite 3200, Bay Adelaide Centre - North Tower 40 Temperance Street Toronto, ON M5H 0B4 **Timothy Pinos** **LSO#: 20027U** Email: tpinos@cassels.com Tel: 416.869.5784 **Ryan Jacobs LSO#: 59510J** Email: rjacobs@cassels.com Tel: 416.860.6465 Lawyers for the Ad Hoc Committee of Senior Secured Noteholders	**NORTON ROSE FULBRIGHT CANADA LLP** 222 Bay Street, Suite 3000 Toronto, ON M5K1E7 **Evan Cobb LSO#: 55787N** Email: evan.cobb@nortonrosefulbright.com Tel: +1 416-216-1929 **Jennifer Stam LSO#: 46735J** Tel: 416. 202.6707 jennifer.stam@nortonrosefulbright.com Lawyers for Export Development Canada	**DAVIES WARD PHILLIPS & VINEBERG LLP** 155 Wellington Street West Toronto ON M5V 3J7 **Derek D. Ricci LSO#52366N** Tel: 416.367.7471 **Email: dricci@dwpv.com** **Natalie Renner LSO# 55954A** Tel: 416.367.7489 Email: nrenner@dwpv.com **Robert Nicholls LSO# 75180A** Tel: 416.367.7547 Email: rnicholls@dwpv.com Lawyers for the Applicants and Baffinland Iron Mines LP

Appendix B

Endorsement of Justice Steele dated June 30, 2026

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000219-0000 **DATE: June 30, 2026**

NO. ON LIST: 1

TITLE OF PROCEEDING: Nunavut Iron Ore, Inc.; Baffinland Iron Mines Corporation; 12334992 Canada Inc. v. CANADIAN IMPERIAL BANK OF COMMERCE; Qikiqtaaluk Corporation; Qikiqtani Industry Ltd.; THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 793; IRH Global Trading Ltd.; Macquarie Equipment Finance Ltd.; Centaurus Capital LP; The Workers Safety & Compensation Commission; Glencore AG; Bondyn Products Inc.; Ad Hoc Committee of Senior Secured Noteholders; The Energy & Minerals Group; Oaktree Capital Management, L.P.; Hartree Partners, LP

BEFORE: JUSTICE Jana Steele

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Natalie Renner, Derek Ricci	Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, 12334992 Canada Inc.	nrenner@dwpv.com, rschwill@dwpv.com, dricci@dwpv.com, rnicholls@dwpv.com

For the Monitor (FTI Consulting Canada Inc.):

Name of Person Appearing	Name of Party	Contact Info
Marc Wasserman, Jeremy Dacks Michael De Lellis Sierra Farr	Counsel to the Monitor	mwasserman@osler.com jdacks@osler.com mdelellis@osler.com sfarr@osler.com

Other:

Name of Person Appearing	Name of Party	Contact Info
Patrick Corney	Counsel to Qikiqtaaluk Corporation, Qikiqtani Industry Ltd.	pcorney@millerthomson.com
Julien Sicco	Counsel to Wanxiang America Corporation	jsicco@litigate.com
Kevin Wu	Counsel to Centaurus Capital LP	kevin.wu@blakes.com
Philip Yang Maria Konyukhova	Counsel to Oaktree and Hartree	pyang@stikeman.com, mkonyukhova@stikeman.com
Massimo Starnino	Counsel to IUOE (union)	max.starnino@paliareroland.com
Curtis Stewart	Counsel to Workers' Safety & Compensation Commission	curtis.stewart@wscc.nt.ca
Vern DaRe	Counsel to IRH Global Trading Ltd.	vdare@foglers.com
Hilary Gilroy	Attending on behalf of Stephen Kingston, for the Government of Nunavut	hilary.gilroy@mcinnescooper.com
Heather Meredith	For Bank of Montreal	hmeredith@mccarthy.ca
Robert J. Chadwick Caroline Descours Jennifer Linde	Counsel to the Government of Canada	rchadwick@goodmans.ca cdescours@goodmans.ca jlinde@goodmans.ca
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Sam Babe	Counsel to Toromont	sbabe@blg.com
Kenneth Kraft	Counsel to Wilmington Trust, National Association	kenneth.kraft@dentons.com
Evan Cobb	Counsel to Export Development Canada	evan.cobb@nortonrosefulbright.com
Timothy Pinos	Counsel for Ad Hoc Committee of Senior Secured Noteholders	tpinos@cassels.com

Christopher Besant Michael Lauricella Rob Winterstein	Counsel from Gardiner Roberts LLP for Qikiqtani Inuit Association (QIA) and Nunavut Tunngavik Inc. (NTI)	cbesant@grllp.com mlauricella@grllp.com rwinterstein@grllp.com

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ENDORSEMENT OF JUSTICE STEELE:

[1] The Applicants and Baffinland Iron Mines LP (together, the "Debtors"), Export Development Canada, Oaktree Capital Management, L.P. and Hartree Partners, LP, and the ad hoc committee of the 8.750% senior secured notes due 2026 seek an order (i) approving the EDC DIP; (ii) approving the Settlement Agreement and the Side Letter; and (iii) sealing the Side Letter and certain other confidential documents.

[2] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in the Joint Aide Memoire of the Senior Secured Lenders, EDC and the Debtors.

[3] No one opposes the relief sought.

[4] I am satisfied that the requested Order should be granted.

[5] In my endorsement dated June 11, 2026, I approved the EDC DIP on an interim basis: *Nunavut Iron Ore (Re)*, 2026 ONSC 3467 (the "June 11 Endorsement"). Since the EDC DIP was approved on an interim basis and permitted the Debtors to draw only up to US$110 million and provided for certain Secured Creditor Protections on an interim basis, it should be superseded in its entirety by the terms of the DIP Resolution Order and the Second ARIO.

[6] CCAA courts have the jurisdiction to approve settlement agreements that are reached during the course of CCAA proceedings where a settlement avoids complex and costly legal contests and contributes to advancing the restructuring on an efficient basis: *Robertson v. ProQuest Information and Learning Company*, 2011 ONSC 1647, at para. 22. In determining whether to approve a settlement in a CCAA proceeding, the Court will consider the following factors: (i) whether the settlement is fair and reasonable; (ii) whether the settlement will benefit the debtor and its stakeholders generally; and (iii) whether the settlement is consistent with the purpose and spirit of the CCAA: *The Cash Store Financial Services Inc. (Re)*, 2015 ONSC 7538, at para. 14.

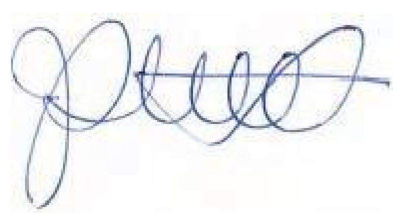
[7] The proposed settlement satisfies the above three factors. The DIP Resolution, which was reached following good faith, arm's length negotiations, is a fair and reasonable resolution of the dispute regarding the appropriate provider of the DIP financing to the Debtors. The resolution permits the EDC DIP to proceed, ensuring that the Debtors have the necessary DIP financing. At the same time, it affords the Senior Secured Lenders protections similar to those that I approved in the June 11 Endorsement. I agree with the Debtors that the DIP Resolution is in the best interests of their stakeholders. The resolution puts an end to the time consuming, costly litigation regarding the DIP financing. In addition, it creates a framework for cooperation between the Debtors and their secured creditors. The resolution benefits all stakeholders by putting an immediate end to the value-destroying litigation and promoting efficient stakeholder engagement. Finally, the settlement is clearly consistent with the purpose and spirit of the CCAA. The remedial purpose of the

CCAA is well known. The Supreme Court of Canada in *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60, [2010] 3 SCR 379, at para. 59 stated:

> The remedial purpose I referred to in the historical overview of the Act is recognized over and over again the jurisprudence. To cite one early example:
>
> > The legislation is remedial in the purest sense in that it provides a means whereby the devasting social and economic effects of bankruptcy or creditor initiated termination of ongoing business operations can be avoided while a court-supervised attempt to reorganize the financial affairs of the debtor company is made.
> >
> > (*Elan Corp. v. Comiskey* (1990), 41 O.A.C. 282, at para. 57, *per* Doherty J.A., dissenting)

[1] I am also satisfied that the proposed sealing order should be granted. The sealing order would apply to documents that contain confidential and commercially sensitive information. The sealing order that is sought is necessary to preserve the integrity of any future SISP and avoid potential prejudice to the Debtors and their stakeholders. I am satisfied that the requested sealing order for the confidential documents (being DIP budgets with forward looking cash flows, an expert report based on the DIP budget, and a confidential side letter with details of the proposed candidates for the transaction advisor and CRO) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38. Disclosure of the confidential documents would jeopardize the integrity of any future solicitation process and may pose a risk to the Debtors' ability to maximize realization in a future SISP. The negative effects of the proposed sealing order are minimal. As noted above, no stakeholders have opposed the proposed sealing order, which applies to only a limited amount of information. The benefits of the limited sealing order outweigh its negative effects. The Debtors are directed to follow the applicable guidelines for the filing of sealed material with the court, and to eventually apply, at the appropriate time, for an unsealing order, if necessary.

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



Date: Jun 30, 2026

Jana Steele

Appendix C

CRO Engagement Letter

July 23, 2026

Baffinland Iron Mines LP
360 Oakville Pl Dr
Ste 300
Oakville, ON L6H 6K8

Attention: Mark O'Brien

This letter agreement ("**Agreement**") sets out the terms and conditions upon Nunavut Iron Ore, Inc., Baffinland Iron Mines Corporation, 12334992 Canada Inc. and Baffinland Iron Mines LP (collectively, the "**Baffinland Group**") hereby engages BlueTree Advisors Inc. ("**BlueTree**") as an independent contractor to fulfill the mandate attached as Schedule "A" (the "**Mandate**") for the Baffinland Group.

BlueTree agrees that the Mandate will be led by William E. Aziz ("**Aziz**") personally. BlueTree represents and warrants that Aziz has the capacity to spend the time required to effectively discharge the Mandate, acting as the Chief Restructuring Officer for the Baffinland Group during the term of this Agreement.

Representations and Warranties

Information. The Baffinland Group represents and warrants to BlueTree, and will use its reasonable best efforts to ensure that all information (the "**Information**") provided to BlueTree, directly or indirectly, orally or in writing, in connection with the BlueTree engagement hereunder will be accurate and complete in all material respects, will not be misleading in any material way and will not omit to state any fact or information which might reasonably be considered material to BlueTree performing its services hereunder. BlueTree will have no liability for acting in reliance upon the Information without verifying independently, the accuracy or completeness of the Information provided to or otherwise obtained by it. BlueTree shall also have no liability for any failure to determine whether there have been any changes in such information or to investigate any change in such information occurring after the date any of the same were provided to or obtained by BlueTree.

Competence. BlueTree represents and warrants that Aziz has the necessary knowledge, experience and skill to carry out all contractual obligations under this Agreement and that it and Aziz shall do so honestly, in good faith and in a professional, competent and diligent manner.

3 2 Shorewood Place, • Oakville, Ontario • L 6 K 3 Y 4 • t e l: 4 1 6 . 5 7 5 . 2 2 0 0 • fax: 9 0 5 . 8 4 9 . 4 2 4 8

<u>Fees and Expenses</u>

BlueTree's compensation for Mandate (the "**Fees**") will be as follows:

(a) a work fee (the "**Work Fee**") of US$100,000 per month plus applicable taxes, payable monthly in advance commencing on the day that the Baffinland Group executes this Agreement (the "**Appointment Day**"), which Work Fee shall be paid by wire on the same calendar day of each month, or, when the calendar day falls on a non-business day, on the first business day thereafter. The payment of the Work Fee for the Appointment Day shall be made on the next business day following the Appointment Day; and

(b) a fee (the "**Success Fee**") payable on closing and implementation of a Transaction (as defined below), to be calculated as the sum of the following:

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

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

(i) US$1,000,000, in the event that all indebtedness, liabilities and obligations, including principal, interest fees and expenses, owing under the Senior Secured Debt Documents (as defined below) are paid in full, payable in cash immediately upon closing of a Transaction, plus

(ii) 0.5% of the next US$250 million of proceeds ("**Proceeds**"), plus 0.25% of the next US$500 million of Proceeds, plus 0.125% of any Proceeds that exceed these thresholds. For greater certainty, no amount shall be payable under section B(ii) unless section B(i) has been satisfied in full.

"**Senior Secured Debt Documents**" shall mean the (i) 8.75% senior secured notes due 2026, (ii) revolving credit agreement dated as of May 26, 2017 (as amended, restated, supplemented and/or modified from time to time), among, *inter alios*, Baffinland Iron Mines Corporation and Baffinland Iron Mines LP (collectively, "**Baffinland Borrowers**"), as borrowers, the guarantors party thereto, and the lenders party thereto, (iii) credit agreement dated as of October 7, 2022 (as amended, restated, supplemented and/or modified from time to time), among Baffinland Borrowers, as borrowers, the guarantors party thereto and Export Development Canada ("**EDC**"), as lender, and (iv) DIP Facility Loan Agreement dated as of June 3, 2026 (as amended, restated, supplemented and/or modified from time to time), among Baffinland Borrowers, as borrowers, the guarantors party thereto, and His Majesty in Right of Canada, as represented by EDC.

"**Transaction**" shall mean any of the following completed transactions, arrangements, or series of related transactions or arrangements arising from or completed through a Court-approved SISP, or otherwise approved by the CCAA Court: (a) any sale, transfer, assignment, conveyance, or other disposition of all or substantially all of the assets, property, undertaking, or business of the

Baffinland Group, whether by way of asset sale, share sale, merger, amalgamation, arrangement, or otherwise including a reverse vesting order transaction, including by way of stalking horse bid, credit bid or similar transaction; (b) any recapitalization, restructuring, refinancing, reorganization, compromise, or arrangement of the debt, equity, or other obligations or liabilities of the Baffinland Group, including any plan of arrangement, plan of compromise, or plan of reorganization under applicable insolvency or restructuring legislation pursuant to which one or more parties directly or indirectly acquires control of all or substantially all of the assets of the Baffinland Group (or in the case of the Energy & Minerals Group, such party retains control); and (c) any combination of the foregoing, regardless of the form or structure through which such transaction is effected.

For greater certainty and without duplication with the termination notice period specified below, BlueTree shall be entitled to the Work Fee for a minimum period of (3) months plus applicable taxes and expenses if this engagement is terminated at any time by the Baffinland Group (other than as a result of a default by BlueTree) before a Transaction.

The Success Fee will be payable if the Transaction is approved by the Court and closed during the term of this engagement or within a period of twelve (12) months following the termination of this engagement by the Baffinland Group. However, the Success Fee will not be payable if (i) BlueTree terminates the Agreement other than for cause or (ii) the Baffinland Group terminates this Agreement as a result of a breach of the Agreement by BlueTree.

All payments made by the Baffinland Group to BlueTree shall be made without statutory deductions in respect of, but not limited to, the *Income Tax Act*, *Canada Pension Plan Act*, or *Employment Insurance Act*. Any other remittances in respect of, but not limited to, the *Workplace Safety and Insurance Act, 1997* and *Employer Health Tax* are the sole responsibility of BlueTree. BlueTree acknowledges responsibility for arranging and paying all applicable payments, contributions, premiums, and/or penalties under any federal or provincial legislation with respect to the services provided under this Agreement.

In the event any member of the Baffinland Group is found liable to remit statutory deductions or remittances owing by, on account of, or in connection with the services provided pursuant to this Agreement, BlueTree agrees to indemnify the Baffinland Group and hold the Baffinland Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Baffinland Group may become subject by reason of, or arising out of any failure to remit those statutory deductions or remittances, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands. Further, BlueTree shall indemnify and save the Baffinland Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Baffinland Group may become subject arising from any claim that that Aziz is an employee of the Baffinland Group or any part of the Baffinland Group and not an independent contractor, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands.

Fees will be paid by the Baffinland Group in accordance with this Agreement upon receipt of a properly prepared invoice from BlueTree.

In addition to the foregoing, the Baffinland Group shall reimburse BlueTree for its reasonable out-of-pocket expenses incurred in connection with the Mandate including, but not limited to, legal fees, travel and communications expenses, courier charges and accommodation expenses. Such reimbursable expenses will be payable within five (5) business days of receipt of BlueTree's invoices by the Baffinland Group.

The Baffinland Group shall pay all amounts due in respect of fees and taxes thereon to BlueTree in United States Dollars and all amounts due in respect of expenses and taxes thereon in either United States Dollars or Canadian Dollars as applicable, each by wire transfer to BlueTree's bank accounts, after receipt by the Baffinland Group of a written invoice.

All or part of the foregoing may be subject to federal Goods and Services Tax, Harmonized Sales Tax or other taxes ("**GST/HST**"). Where such tax is applicable, an additional amount equal to the amount of tax owing thereon will be charged to and payable by the Baffinland Group, in addition to the fees and expenses of BlueTree. BlueTree will provide its GST/HST registration number to the Baffinland Group upon execution of the agreement. BlueTree shall ensure that such taxes are detailed separately from the Work Fee and/or expenses on any invoices.

Other Mandate

If BlueTree is required to perform services in addition to the Mandate or to provide services of other individuals aside from Aziz, then the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services will be in addition to the fees payable hereunder and will be negotiated separately and in good faith.

Indemnity

The Baffinland Group has represented that it has officer insurance coverage and has provided a copy of same to Aziz. The Baffinland Group will maintain, to the extent possible or practicable, the officer insurance coverage that was in place as at the date of execution of this Agreement, or coverage substantially comparable to that insurance that includes confirmation, in writing, from the underwriters that Aziz is fully covered by the insurance as an officer of the Baffinland Group.

Subject to section 136 of the Ontario *Business Corporations Act* and the regulations thereunder), the Baffinland Group shall indemnify BlueTree and Aziz (the "**Blue Tree Group**"), and the heirs and legal representatives of such Blue Tree Group member, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such Blue Tree Group member in respect of any civil, criminal or administrative proceeding to which such Blue Tree Group member is made a party by reason of being or having been an officer of any member of the Baffinland Group or Another Body Corporate for which such Blue Tree Group member acted as an officer or in a similar capacity at the request of the Baffinland Group, as the case may be, if: (a) such Blue Tree Group member acted honestly and in good faith with a view to the best interests of the Baffinland Group or Another Body Corporate, for which such Blue Tree Group member acted as an officer or in a similar capacity at the request of the Baffinland Group, as the case may be; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such Blue Tree Group member had reasonable grounds for believing that the conduct was lawful.

BlueTree and Aziz may retain counsel to separately represent it or him in the defence of a claim, which shall be at the Baffinland Group's expense if (i) the Baffinland Group does not assume the defence of a claim within 20 business days of receipt of an Indemnification Notice, (ii) the Baffinland Group agrees to separate representation or (iii) BlueTree and/or Aziz is advised by independent legal counsel that there is an actual or potential conflict in the Baffinland Group's and BlueTree's and/or Aziz's respective interests .

Promptly after receiving notice of any action, suit, proceeding or claim against either of BlueTree or Aziz or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought in accordance with the terms of this Agreement from the Baffinland Group, BlueTree and/or Aziz shall notify the Baffinland Group in writing of the particulars thereof (an "**Indemnification Notice**"), and provide the Baffinland Group an opportunity to reasonably defend or settle the claim, failing which the above indemnity will not apply.

In connection with this Agreement, BlueTree and Aziz agree to indemnify the Baffinland Group, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of (a) BlueTree or Aziz having failed to act honestly and in good faith with a view to the best interests of the Baffinland Group or Another Body Corporate; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, BlueTree or Aziz having no reasonable grounds for believing that its conduct resulting in such criminal or administrative action or proceeding was lawful.

"Another Body Corporate" as used herein means a body corporate of which the Baffinland Group was a shareholder or creditor.

<u>Security for Fees and Indemnity</u>

The Baffinland Group shall ensure that BlueTree is covered by (i) a Court-ordered charge that ranks *pari passu* with the Administration Charge in the Second Amended and Restated Initial Order made June 11, 2026, as may be further amended and restated, (the "CCAA Order") to secure the fees, disbursements and costs to BlueTree under this Agreement (other than the Tiered Success Fee), and (ii) a Court-ordered charge to secure the Tiered Success Fee that ranks subordinate to the existing Charges (as defined in the CCAA Order) and the Encumbrances (as defined in the CCAA Order) securing the indebtedness, liabilities and obligations owing under the Senior Secured Debt Documents.

<u>Survival of Terms and Termination</u>

This engagement shall take effect upon the execution and Court approval of this Agreement and may be terminated by a written notice to that effect:

(a) by the Baffinland Group, with the consent of the Monitor; or

(b) by BlueTree;

in each case upon not less than 60 days' written notice to that effect to the other party (the "**Termination Date**").

Upon the termination of this Agreement for any reason,

(a) BlueTree and Aziz shall immediately deliver to the Baffinland Group all property of the Baffinland Group that is in the possession of BlueTree or Aziz at the time of termination of this Agreement. BlueTree and Aziz shall take measures to ensure that it retains no copies of the Baffinland Group records, electronic or otherwise, following the return of the Baffinland Group property; and

(b) the obligations of either party to indemnify the other, to pay any amounts due to the other pursuant to this Agreement, including fees, expenses and tax, the representations and warranties contained herein in connection with this Agreement, and the obligations arising from the "Other Matters" section, below, will survive.

Other Activities

The Baffinland Group acknowledges that Aziz serves as a director of a number of other corporations which are not directly competitive with the Baffinland Group that BlueTree provides services to other clients. BlueTree covenants that, on a go-forward basis, these other activities will not interfere with BlueTree's ability to provide the services contemplated by this Agreement and that it will ensure that Aziz devotes his time, as required, to the services contemplated by this Agreement.

Relationship of Parties

The Baffinland Group and BlueTree acknowledge that BlueTree is an independent contractor. Nothing in this Agreement shall constitute or shall be construed to constitute a partnership, joint venture, franchise, agency or employment relationship between the Baffinland Group (or any member of it) and BlueTree or Aziz. This Agreement shall constitute and shall at all times be construed to constitute an independent contractual relationship between the members of the Baffinland Group, and BlueTree. Without limiting the generality of the foregoing, BlueTree and Aziz acknowledge and agree that Aziz is not (and will not be by operation of this Agreement or otherwise) an employee of the Baffinland Group (or any member of it).

BlueTree and Aziz will provide, at their own risk and expense, all equipment, supplies and tools which may be required to perform the Mandate, and will be solely responsible for obtaining all necessary licenses and permits and for complying with all applicable laws in connection with the provision of the Mandate.

Confidentiality

It is BlueTree's policy to hold in confidence the affairs of its clients. Therefore, BlueTree will not use confidential information obtained from the Baffinland Group or any of its representatives except in connection with the services to be provided hereunder and will not disclose such confidential information to any third party or to any of its affiliates, employees or advisors except in connection with the services to be provided hereunder and will not use or make available to the Baffinland Group or any of its representatives confidential information that BlueTree has obtained from any other client or that BlueTree may have developed or obtained in connection with its other activities.

Other Matters

This Agreement will enure to the benefit of and be binding upon the parties hereto. This Agreement shall be governed by and construed in accordance the laws of the Province of Ontario and the federal laws of Canada applicable therein. If any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof. Headings are used for convenience of reference only and shall not affect the interpretation hereof. This Agreement is the entire agreement between the parties and replaces all prior agreements or understandings; there is no term, condition, warranty or representation, collateral or otherwise, that exists between the parties, other than those contained in this Agreement, including any schedules. Any modifications or amendments to this Agreement shall be made in writing and signed by both parties.

Notices

All notices or other communications under this letter shall be in writing and e-mailed or delivered by personal delivery, if to the Baffinland Group at:

c/o Baffinland Iron Mines LP
360 Oakville Pl Dr
Ste 300
Oakville, ON L6H 6K8

Attention: Mark O'Brien
Email: mark.obrien@baffinland.com

with a copy to: Natalie Renner <nrenner@dwpv.com>

and if to BlueTree:

BlueTree Advisors Inc.
[redacted]

Attention: William Aziz
[redacted]

or as each party may specify in written notice to the other party. Its notices and communications shall be effective when e-mailed or delivered as the case may be or, if such day is not a business day, on the first business day thereafter.

Please confirm that the foregoing is in accordance with your understanding by signing and returning the attached duplicate copy of this Agreement which will thereupon become a binding agreement. This Agreement will be executed in counterparts.

(signatures on the next page – remaining left blank)

Yours very truly,

BLUETREE ADVISORS INC.

By: William E. Aziz
Name: William E. Aziz
I have the authority to bind the Corporation

Solely with respect to covenants provided by Aziz:

By: William E. Aziz
Name: William E. Aziz

We have the authority to bind the corporation

BAFFINLAND IRON MINES CORPORATION

by: ______________________
Name: Jowdat Waheed
Title: Authorized Signatory

by: ______________________
Name: Celeste van Tonder
Title: Chief Financial Officer

We have the authority to bind the corporation

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

by: ______________________
Name: Jowdat Waheed
Title: Authorized Signatory

by: ______________________
Name: Celeste van Tonder
Title: Chief Financial Officer

Yours very truly,

BLUETREE ADVISORS INC.

By: ______________________________
Name: William E. Aziz
I have the authority to bind the Corporation

Solely with respect to covenants provided by Aziz:

By: ______________________________
Name: William E. Aziz

We have the authority to bind the corporation

BAFFINLAND IRON MINES CORPORATION

by: ______________________________
Name: Jowdat Waheed
Title: Authorized Signatory

by: ______________________________
Name: Celeste van Tonder
Title: Chief Financial Officer

We have the authority to bind the corporation

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

by: ______________________________
Name: Jowdat Waheed
Title: Authorized Signatory

by: ______________________________
Name: Celeste van Tonder
Title: Chief Financial Officer

We have the authority to bind the corporation

NUNAVUT IRON ORE, INC.

by ______________________________
Name: Bruce Walter
Title: Chairman and Secretary

by: ______________________________
Name: Jowdat Waheed
Title: President and Chief Executive Officer

We have the authority to bind the corporation

12334992 CANADA INC.

by: ______________________________
Name: Celeste van Tonder
Title: Chief Financial Officer

by: ______________________________
Name: Mark O'Brien
Title: Executive Vice President

SCHEDULE "A"
MANDATE

SUMMARY OF CRO DUTIES

The CRO's duties shall be as follows:

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

b) advising and providing recommendations to the Operating Committee and attending meetings of the Operating Committee in respect of the Debtors' restructuring activities and CCAA Proceeding, including in respect of the items listed below:

   a. the disclaimer of agreements;

   b. matters affecting key stakeholder groups;

   c. the development of a sale and investment solicitation process in respect of the Debtors and its business and assets (a "**SISP**");

   d. updates regarding material developments in the SISP;

   e. the development of a restructuring plan or plans of the Debtors and/or its business and assets for presentation to creditors and other stakeholders;

   f. potential strategic options and financial restructuring alternatives; and

   g. any key employee retention plan being proposed;

c) providing input, recommendations and assistance to the Debtors in connection with each of the matters enumerated in (b) above;

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

e) assisting with the negotiation of, and executing, NDAs in preparation for or in connection with any SISP;

f) assisting with the negotiation of, and executing, the engagement letter for the financial advisor responsible for conducting the SISP;

g) coordinating with the SISP financial advisor and others on the resources and information needed to effect the SISP;

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

i) working with the Debtors, as deemed necessary by the CRO, to manage all processes related to the conduct of the CCAA Proceeding and developing a work plan for the CCAA Proceeding;

j) assisting the Debtors in the preparation and review of CCAA cash flow modeling (including identifying and recommending any cost rationalization measures to be undertaken) and with compliance of the Debtors' reporting obligations (both financial and non-financial) to the DIP Lender and the Senior Secured Lenders, including under the EDC DIP Facility and the Settlement of DIP Financing Litigation;

k) attending court hearings and assisting the Debtors with the preparation of Court materials and providing affidavits, each as appropriate, in the CCAA Proceeding;

l) attending any meetings with the NTI/QIA and the Company, as deemed appropriate by the CRO in consultation with Monitor and the Debtors;

m) working with the Monitor to coordinate the foregoing restructuring activities;

n) communicating with and providing information to the Monitor and the Debtors' stakeholders, with respect to matters relating to the Debtors' restructuring activities and CCAA Proceeding; and

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

Appendix D

Second Supplement to the Second Report of the Monitor

Court File No. CL-26-00000219-0000

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

SECOND SUPPLEMENT TO THE SECOND REPORT OF THE MONITOR

June 29, 2026

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

INTRODUCTION

1. On May 15, 2026, Nunavut Iron Ore, Inc. ("**NIO**"), Baffinland Iron Mines Corporation ("**BIM**") and 12334992 Canada Inc. ("**123**", and together with NIO and BIM, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") granting, *inter alia*, a stay of proceedings (the "**Stay of Proceedings**") to May 25, 2026 in favour of the Applicants and Baffinland Iron Mines LP (together with the Applicants, the "**Debtors**") and appointing FTI Consulting Canada Inc. as monitor (in such capacity, the "**Monitor**"). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. On May 25, 2026, the Applicants sought and obtained an Amended and Restated Initial Order under the CCAA granting, *inter alia*, an extension to the Stay of Proceedings in favour of the Debtors to June 5, 2026, an increase in the Administration Charge, and an increase in the D&O Charge.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

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

---

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

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

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

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

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

Dated this 29th day of June, 2026.

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

Jeffrey Rosenberg
Senior Managing Director

Greg Watson
Senior Managing Director

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

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

Court File No. CL-26-00000219-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

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

OSLER, HOSKIN & HARCOURT LLP
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Michael De Lellis (LSO# 48038U)
Tel: 416.862.5997
Email: mdelellis@osler.com

Lawyers for the Monitor, FTI Consulting Canada Inc.

Appendix E

Biography of the Proposed CRO

WILLIAM E. AZIZ

[redacted]

PROFILE

I am an FCPA, FCA and a senior executive and experienced director. I am a value-oriented executive with experience enhancing profitability and restoring value. I lead by building strong management teams focused on profitability, while promoting flexible strategic thinking to create solutions. I have extensive, domestic and international experience in multi-party negotiations, strategic partnerships, mergers, acquisitions and divestitures. I have experience with all aspects of balance sheet and operational restructurings, in environments with and without unions.

BUSINESS EXPERIENCE

BLUETREE ADVISORS INC. **2001 to Present**
President and CEO

BlueTree Advisors is my advisory firm focused on strategic advisory to shareholders, lenders, boards of directors and chief executive officers in relation to critical opportunities, crisis situations and other complex challenges.

I fix things with a focus is on improving the performance of client companies, by providing expertise to manage operational, financial and organizational challenges. The principal objective of my work is the restoration and realization of value for stakeholders in the face of the most significant challenges, including dealing with difficult governance issues. Many of the situations involve uncertainty, rapidly changing dynamics, the development of real option back-up strategies and negotiation strategies.

I have experience with investments in private equity, infrastructure and real estate as a result of my nine years as Chair of the Investment Committee of the OMERS in Canada, the United Stayes, Europe, Asia, and Australia. I have also been a member of the Fengate Asset Management advisory board with oversight of real estate ($20 billion), infrastructure ($5.5 billion) and private equity investments ($800 million).

I have more than 38 years of advisory, turnaround and corporate restructuring experience. I have extensive domestic and international experience in multi-party negotiations, strategic partnerships, sale processes, and M+A activities. I have led restructurings as an executive and board member involving all aspects of balance sheet and operational restructurings in diverse industries including the fixed wireless, satellite and fibre for rural internet, the Canadian tobacco industry, financial services, telecom, steel manufacturing, coal mining, professional service firms, alternative financing, softwood lumber, refrigerated warehousing, transportation, retail, manufacturing, and media. I have extensive experience with large unions in collective bargaining situations related to restructurings.

Recent appointments as the CRO for Li-Cycle Holdings Corp. in its Canadian and U.S. restructuring, and as the Chief Transaction Officer of Xplore Inc. where negotiations with satellite providers in Canada and the United States were integral to a critical refinancing. I have also recently been the CRO of JTI Macdonald (the settlement of nearly $1 trillion dollars of claims for $32.5 billion), The Toronto Star Group (a shareholder dispute and separation of interests), U.S. Steel Canada (Stelco), Walter Energy Canada Holdings, Cash Stores Financial, and Hollinger.

I have acted as an advisor in both formal and informal transformations of businesses. I have played significant roles in many major Canadian restructurings, and I am recognized as one of Canada's experts in financial and operational restructurings since leaving Ernst & Young in 1988. I have been retained in the course of binding arbitration to resolve shareholder disputes and various mediation processes and have extensive experience in consensual, out-of-court restructurings, advising executive committees, and refinancings of both public and private companies.

OTHER INFORMATION

Director

Current Boards

Maple Leaf Foods Inc. – TSE Listed (May 2014 to Present)
- Chair of the Audit Committee (May 2014 to present)
- Member Safety and Sustainability Committee (May 2020 to 2023)
- Member Human Resources and Compensation Committee (2014 to 2020 and 2023 to present)

Member of the Advisory Boards of-
- McCain Capital Partners (November 2017 to present)
- Ernst & Young Alumni Advisory Council

Prior Boards

Atlantica Sustainable Infrastructure plc- NASDAQ Listed (May 2020 to December 2024)
- Chair of the Compensation Committee
- Member of the Audit Committee
- Member of the Related Party Transactions Committee

OMERS-(January 2014 to December 31, 2019)
- Chair of the Investment Committee ($125 billion capital pool)
- Member Human Resources and Compensation Committee

OMERS-(February 2009 to December 2012)
- Chair of the Investment Committee
- Member Human Resources and Compensation Committee and Joint Council for Governance

Fengate Real Assets (November 2014 to 2021)
- Infrastructure, Real Estate and Private Equity advisory Boards

Ivey Leadership Advisory Council-(September 2012 to January 2019)
Formed to represent and support the Ian O. Ihnatowycz Institute for Leadership at the Ivey School of Business, Western University in leadership thought

Canada Bread Company Limited – TSE Listed (April 2005 to March 2014)
Chair of the Audit Committee and Member Governance Committee

Tecumseh Products Company-NASDAQ Listed (August 2007 to August 2009)
Chair of Governance and Nominating Committee
Chair of Independent Committee for two proxy fights
Member of Audit Committee

Sun-Times Media Group, Inc.-NYSE Listed (August 2007 to July 2008)

Doman Industries Limited -TSE Listed (2003 to 2004)
Member of Restructuring Committee and Chair of Audit and Governance Committees

Algoma Steel Inc.-TSE Listed (2002)

Member

Canadian and Ontario Institutes of Chartered Accountants-FCPA, FCA
Institute of Corporate Directors
Insolvency Institute of Canada
Young Presidents Organization, Great Lakes Chapter (formerly Western Ontario)

Education

Osgoode Hall Pension Law Program
Institute of Corporate Directors ICD.D Certification
Executive Media Training with Jeff Ansell of Siren Communications
Harvard Law School: Program on Negotiation for Senior Executives
Harvard Law School: Dealing with Difficult People and Difficult Situations
Chartered Accountant (Ontario) - 1982
Ivey School of Business at Western University: Honors Business Administration – 1979

Interests

Golf, fishing and skiing.

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

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

Court File No. CL-26-00000219-0000

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SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

THIRD REPORT OF THE MONITOR

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