Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and -

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

Defendants

Proceeding under the *Class Proceedings Act, 1992*

AFFIDAVIT OF GARETT HUNTER
(SWORN AUGUST 7, 2019)

I, Garett Hunter, of the City of London, in the Province of Ontario, MAKE OATH AND SAY:

1. I am an associate lawyer at Siskinds LLP ("**Siskinds**"), counsel to the Plaintiffs in this proceeding (the "**Action**"). I have knowledge of the matters to which I am deposing. Where my knowledge is based on information from others, I have indicated the source of such information and believe it to be true.

2. Attached as **Exhibit "A"** is a copy of the executed Settlement Agreement dated June 7, 2019 ("**Settlement Agreement**"). Where I use capitalized terms not separately defined in the body of the affidavit, those terms have the meanings ascribed to them in the Settlement Agreement.

3. Siskinds has extensive experience litigating and resolving complex class action litigation similar to this case. Siskinds has acted as lead or co-lead counsel to plaintiffs in excess of 100 class proceedings and has successfully resolved over 60 class proceedings in areas such as securities, competition (price-fixing), product liability (particularly with respect to pharmaceuticals and medical products), the environment, and consumer protection.

4. Where in this affidavit I use pronouns such as "our", "we" and "us", I am referring to the Siskinds lawyers with primary carriage of the Action: Michael Robb, Anthony O'Brien, Nicholas Baker and myself.

5. I am swearing this affidavit in support of motions brought:

   (a) by the Plaintiffs for an Order approving the Settlement Agreement pursuant to section 29 of the *Class Proceedings Act, 1992* (the "***CPA***") and related matters;

   (b) by the Plaintiffs for an Order approving the Distribution Protocol;

   (c) by the Plaintiffs for an Order for an interim payment of the Funding Commission to the litigation funder, Claims Funding Australia Pty Ltd; and

   (d) by Siskinds for an order approving Class Counsel Fees to be paid in accordance with the retainer agreements entered into with the Plaintiffs pursuant to section 32 of the *CPA*.

OVERVIEW

6. This Action has been vigorously litigated for over eight years through numerous contested motions, motions for leave to appeal and an appeal, including a comprehensive motion to strike that ended with an appeal to the Ontario Court of Appeal. This Action has been

certified as a class proceeding. Although the formal discovery process has not yet begun, the Plaintiffs have a firm grasp on the strengths and weaknesses of their case.

7. On January 31, 2019, the parties conducted a mediation with the assistance of the former Chief Justice of Ontario, the Honourable Warren K. Winkler (ret.) as mediator.

8. In the lead-up to that mediation, the Plaintiffs obtained documentary disclosure from the Defendants for the purposes of the mediation on matters relevant to liability and damages. That disclosure supplemented the documents that the Plaintiffs were able to access from the related regulatory proceeding brought by Staff of the Ontario Securities Commission ("**OSC**") against the Defendants, Mr. Waheed and Mr. Walter, which was decided by the OSC Panel on August 26, 2014 in *Jowdat Waheed et al.*, 2014 ONSEC 23 ("**OSC Decision**"). The Plaintiffs also had the benefit of a valuation of Baffinland shares prepared for Baffinland in the related dissent and appraisal proceeding ("**Valuation Application**") and a responding report from their own expert prepared for purposes of the mediation.

9. The mediation on January 31, 2019 did not result in a resolution of the Action. However, negotiations between the parties, with the assistance of Mr. Winker, continued in the months that followed. Certain of the parties' counsel attended a second meeting with Mr. Winker on March 4, 2019, which again did not result in a settlement. The discussions continued in the months that followed, eventually leading to a settlement in principle in May 2019. The Settlement Agreement was executed on June 7, 2019.

10. The Settlement Agreement provides that the Defendants will pay or cause their insurers to pay $6,500,000.00 to resolve the claims asserted in the Action.

11. In preparation for the mediations, Siskinds had lengthy internal discussions in which we reviewed and debated the risks and obstacles the Action faced proceeding through a trial

of the common issues, the likelihood of those risks materializing and how those risks would impact on the possibility of recovery for the Class. These discussions were conducted with the benefit of the materials referred to above, the parties' submissions and evidence on the various interlocutory motions, and the decisions of this Court and other courts on those motions.

12. The certified claims of the Class Members are predicated on a statutory cause of action under section 131 of the Ontario *Securities Act* ("***OSA***") for misrepresentations in take-over bid and directors' circulars, insider trading and tipping contrary to section 134 of the *OSA*, unjust enrichment, and relief from oppression pursuant to section 248 of the Ontario *Business Corporations Act* ("***OBCA***"). The resolution of these claims is complex and the outcome of the action highly uncertain.

13. In addition to the general risks present in all high stakes securities litigation, the critical risks specific to this Action are those laid out in paragraphs 67 to 91 below, being broadly:

    (a) the risk that the Court would find that there had been no misrepresentations;

    (b) the risk that the Court would dismiss the Plaintiffs' *OBCA* oppression claims, whether based on allegations of misrepresentation or other misconduct in the context of the take-over bid process; and

    (c) the risk that the Court would find that the Class did not suffer any loss or damage as a result of the alleged misconduct of the Defendants.

14. After considering all the foregoing, Siskinds advised the Plaintiffs and took instructions before entering the January 31, 2019 and March 4, 2019 mediations. These same considerations were at play in the negotiations outside the formal mediation sessions,

including in the advice provided to the Plaintiffs with respect to the sum of $6,500,000.00 that was finally agreed upon by the parties.

15. In this affidavit, on behalf of Siskinds, I describe the following:

(a) the background facts from which the Action arose;

(b) the procedural history of the Action and the related OSC proceeding;

(c) the negotiation of the Settlement and its key terms;

(d) the dissemination of the First Notice;

(e) the proposed Second Notice;

(f) the factors supporting the fairness and reasonableness of the Settlement, including the evidence and information available to us when the Settlement was reached, and the key issues and risks to advancing the Action to trial;

(g) the rationale for the proposed Distribution Protocol;

(h) the proposed plan for the payment of the Funding Commission; and

(i) the facts relating to our request for the approval of Class Counsel Fees.

BACKGROUND TO THE ACTION

16. Baffinland is a mining company incorporated under the *OBCA*. Prior to the take-over of Baffinland that is the subject of this Action, Baffinland was a reporting issuer in all provinces and territories of Canada. Its Common Shares were listed for trading on the Toronto Stock Exchange ("**TSX**") under the ticker symbol "BIM", and warrants issued by Baffinland in 2007 ("**2007 Warrants**") were listed for trading on the TSX under the ticker symbol "BIM.WT".

17. Baffinland's sole asset was the 100%-owned Mary River iron ore project on Baffin Island in Nunavut ("**Mary River Project**" or "**Project**"). The property consisted of nine high-grade iron ore deposits. At the relevant time, mineral reserves or resources had been classified for only three of the nine deposits and feasibility studies were based on mineral reserves from only deposit 1. Baffin Island is very remote and there was no pre-existing infrastructure. To get iron ore extracted at the Mary River Project to market, the ore would have to be shipped overland to a port where it would then have to be transported by sea.

18. On March 5, 2008, Baffinland disclosed a feasibility study based on transporting 18 million tonnes of iron ore annually from the Mary River Project via rail to port ("**2008 Feasibility Study**"). In 2008, Baffinland reported the existence of an expansion study for production of 30 million tonnes of iron ore annually but did not publicly disclose the study itself ("**2008 Expansion Study**").

19. In June and July 2010, Baffinland announced that it was considering a road haulage option for development of the Mary River Project. It announced the completion of a road haulage conceptual study ("**2010 Conceptual Study**") but did not disclose the study itself.

20. On January 13, 2011, Baffinland issued a press release reporting on the results of a technical study on the road haulage option ("**2011 Road Feasibility Study**"). Baffinland did not release the full study until February 28, 2011 after the close of the Joint Bid.

21. Development of the Mary River Project required a massive amount of capital that Baffinland was incapable of raising on its own and expertise Baffinland did not have. As a result, Baffinland had long been searching for an investor to assist in the development of the Mary River Project. ArcelorMittal S.A. ("**ArcelorMittal**") and Baffinland had

discussed a joint venture as early as 2008. There was a pause in negotiations with the onset of the 2008 financial crisis.

22. In the course of its search for an investor, Baffinland retained the services of Jowdat Waheed as a consultant in early 2010. Mr. Waheed was given extensive access to Baffinland's business and asked to assess options for the development of the Mary River Project.

23. Negotiations between Baffinland and ArcelorMittal recommenced in 2009 and by August 2010 ArcelorMittal and Baffinland agreed to a term sheet ("**August 2010 Term Sheet**") for a joint venture for the development of the Mary River Project ("**Joint Venture**"). Negotiations over the definitive terms of the Joint Venture continued into September 2010.

24. However, the negotiations between ArcelorMittal and Baffinland over the Joint Venture ceased following the hostile take-over bid led by Nunavut Iron Ore Acquisition Inc. ("**Nunavut**") for all of Baffinland's Common Shares for $0.80 per Common Share on September 22, 2010. In a Baffinland directors' circular dated October 7, 2010, Baffinland's directors recommended that Baffinland shareholders reject the offer. Mr. Waheed was directly involved in the launch of the Nunavut bid as the President and Chief Executive Officer of Nunavut.

25. On November 12, 2010, ArcelorMittal made a competing take-over bid for all of Baffinland's outstanding Common Shares and 2007 Warrants for $1.10 per Common Share and for $0.10 per 2007 Warrant. ArcelorMittal's take-over bid was a friendly offer made with the support of Baffinland's board of directors pursuant to a support agreement dated November 8, 2010 ("**Support Agreement**"). A Baffinland directors' circular dated

November 12, 2010 recommended that holders of BIM Securities accept the offer and tender to the bid.

26. Following the friendly ArcelorMittal bid, there were several competing rounds of bids made by ArcelorMittal and Nunavut. However, on January 14, 2011, the previously competing bidders, Nunavut and ArcelorMittal, joined forces to make a joint bid, thereby ending the auction that had seen the bid price rise over the previous months. ArcelorMittal and Nunavut offered to purchase all of Baffinland's outstanding Common Shares and 2007 Warrants for $1.50 per Common Share and for $0.10 per 2007 Warrant (the "**Joint Bid**"). In a Notice of Change to the November 12, 2010 directors' circular dated January 17, 2011, Baffinland's directors recommended that holders of BIM Securities accept the offer and tender to the Joint Bid.

27. On February 17, 2011, after being extended twice, the Joint Bid expired with 325,192,869 Common Shares and 4,530,824 2007 Warrants being tendered to the bid, representing (with securities already held by the Offerors) 93% of the outstanding Common Shares and 76% of the outstanding 2007 Warrants.

28. The remainder of Baffinland's Common Shares and 2007 Warrants were taken up via a follow-on Plan of Arrangement. The individuals who had their shares taken up via the follow-on Plan of Arrangement are not Class Members.

29. The Plaintiffs allege that certain material facts about Baffinland and the Mary River Project, including in relation to the 2008 Expansion Study, the 2010 Conceptual Study and the 2011 Road Feasibility Study, were misrepresented or not adequately disclosed in the various circulars issued in connection with the take-over of Baffinland, and that Baffinland and certain of its directors and officers acted oppressively in the take-over bid process.

30. The Plaintiffs also make insider trading allegations. They allege that the Offerors had knowledge of undisclosed material facts regarding Baffinland in their possession at the time they took up the BIM Securities in the Joint Bid.

31. In addition, the Plaintiffs allege that the Offerors were unjustly enriched by the manner in which the Joint Bid was carried out.

32. The causes of action advanced can be summarized as follows:

(a) damages or rescission for circular misrepresentation (*OSA* section 131):

(i) the Class Members who tendered their BIM Securities to the Joint Bid claim damages pursuant to section 131(1) of the *OSA* against the Offerors, jointly and severally, for misrepresentations in the ArcelorMittal Circular and Amending Notices, or in the alternative to damages, rescission of the transfer of BIM Securities pursuant to the Joint Bid by any individual Class Member who elects such a remedy;

(ii) the Class Members who tendered their BIM Securities to the Joint Bid claim damages pursuant to section 131(1) of the *OSA* against Lakshmi Mittal, Aditya Mittal, du Toit, Waheed, Walter, Raymond and Calvert, jointly and severally, for misrepresentations in the ArcelorMittal Circular and the Amending Notices;

(iii) the Class Members who tendered their BIM Securities to the Joint Bid claim damages pursuant to section 131(2) of the *OSA* against Dimitrov, McCloskey and Lydall, jointly and severally, for misrepresentations in the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending

Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices;

(b) damages for insider trading (*OSA* section 134): the Class Members who tendered their BIM Securities to the Joint Bid claim damages pursuant to section 134 of the *OSA* as against the Offerors, jointly and severally;

(c) unjust enrichment: the Class Members who tendered their BIM Securities to the Joint Bid claim against the Offerors for restitution for unjust enrichment; and

(d) relief from oppression (*OBCA* section 248): the Class Members who tendered their BIM Securities to the Joint Bid and the Class Members who otherwise disposed of their BIM Securities on or after January 14, 2011 claim for relief from oppression (including compensation pursuant to section 248(3)(j) of the *OBCA*) as against Baffinland, Dimitrov, McCloskey and Lydall.

HISTORY OF THE ACTION

33. On April 19, 2011, the Plaintiffs commenced the Action against the Defendants through the issuance of a Notice of Action. A Statement of Claim was filed on May 18, 2011 and further amended on May 31, 2013, June 4, 2013, October 31, 2013 and for a final time on July 9, 2018. The current Second Fresh as Amended Statement of Claim is attached hereto as **Exhibit "B"**.

Venue transfer and stay motions

34. The Defendants brought a motion to transfer the venue of the Action from London to Toronto.

35. The Plaintiffs brought a motion to stay the Valuation Application until the certification motion in the Action was determined. The Valuation Application is an application pursuant to section 185 of the *OBCA* in which the Defendant, 1843208 Ontario Inc., is asking the Court to fix the fair value of Baffinland Common Shares previously held by a group of dissenting shareholders.

36. The venue and stay motions were heard together on April 14, 2012 and re-heard on October 24, 2012 in London.

37. On March 6, 2013, Justice Leitch dismissed the Defendants' venue transfer motion and granted the Plaintiffs' stay motion.

38. The Defendants sought leave to appeal the decision of Justice Leitch on the stay motion. On July 8, 2013, Justice Bryant dismissed the motion for leave to appeal.

Motion to approve a litigation funding arrangement

39. In 2013, the Plaintiffs brought a motion for the approval of a litigation funding agreement ("**Funding Agreement**") with the litigation funder, Claims Funding Australia Pty Ltd ("**Funder**"). Pursuant to the Funding Agreement, the Funder agreed to pay an amount for disbursements and to pay any adverse costs order in the proceeding, in return for 7% of the net recovery for the Class (*i.e.* after deducting Siskinds' fees and disbursements and any administration expenses), capped at C$5,000,000.00 if a settlement occurred prior to delivery of the pre-trial conference brief. The litigation funding agreement between Archie Leach, Peter Rooney and the Funder is attached hereto as **Exhibit "C"**.

40. On November 21, 2013, this Honourable Court issued an Order approving the funding arrangement, subject to the payment into court of specified amounts as security for the

Defendants' costs of the proceeding. The Funder paid C$500,000.00 and then C$1,500,000.00 into court in compliance with the Order.

Defendants' motions to strike

41. Over four days in December 2014 and January 2015, the then-current Statement of Claim was the subject of three concurrent motions to strike by the three Defendant groups pursuant to rules 21, 25.06(1), 25.06(8) and 25.11.

42. The Defendants' motions to strike were a comprehensive and wide-ranging attack on the Plaintiffs' pleaded case, by which the Defendants sought to strike out all or substantially all of the Statement of Claim.

43. This Honourable Court issued an Order on July 30, 2015 striking a few paragraphs from the Statement of Claim but leaving the bulk of the Claim intact. Among other things, the Order required the Plaintiffs to make an election as to whom to sue under section 131(1) of the *OSA* and struck the elements of the Statement of Claim asserting a cause of action under section 131 of the *OSA* on behalf of persons who disposed of their BIM Securities on the secondary market. By order dated August 17, 2016 and accompanying reasons, the Court of Appeal partly granted and partly denied the Plaintiffs' appeal of the Order dated July 30, 2015. Specifically, the Court of Appeal allowed the Plaintiffs' appeal on the election issue and denied the appeal with respect to the ability to assert a cause of action under section 131 of the *OSA* on behalf of secondary market sellers.

Certification motion

44. A motion for certification of the Action as a class proceeding was heard over two days in January 2018. On May 18, 2018, the Action was certified as a class proceeding and Archie Leach and Peter Rooney were appointed as the representative plaintiffs for the Class.

45. Baffinland, Richard McCloskey, John Lydall and Daniella Dimitrov sought leave to appeal the certification of oppression remedy common issues. On September 11, 2018, leave to appeal was denied.

Defendants' motions regarding the Funder's letter of credit

46. The Defendants brought concurrent motions to stay the Action on the basis that the letter of credit posted by the Funder as security under paragraph 1(c) of the Court's Order dated November 21, 2013 did not comply with the requirements of the Order or, in the alternative, advice and direction from the Court as to the form of the letter of credit.

47. On May 18, 2018, the Court made an Order setting out a process to be followed if a letter of credit posted by the Funder is not renewed and requirements for the terms of any letter of credit posted by the Funder.

Related Litigation: The OSC Decision

48. Over 43 days between January 12, 2013 and September 5, 2013, an OSC Panel heard an insider trading and tipping case against the Defendants Mr. Waheed and Mr. Walter. OSC Staff alleged that Waheed had knowledge of undisclosed material facts related to Baffinland at the time of Nunavut's toehold purchases made in the lead-up to its September 22, 2010 hostile bid. OSC Staff alleged that Waheed acquired this knowledge during his time as a consultant for Baffinland and after his time as a consultant via communications with Baffinland management. OSC Staff further alleged that Mr. Waheed provided the information he obtained to Mr. Walter.

49. In the OSC Decision, the OSC Panel dismissed the insider trading and tipping allegations against Mr. Waheed and Mr. Walter. The OSC Decision considered, among other things, Baffinland's search for a strategic partner, joint venture partner negotiations with

ArcelorMittal (including findings with respect to the August 2010 Term Sheet), internal and independent valuations of the Joint Venture prepared for Baffinland, and internal documents relevant to Nunavut's hostile take-over bid.

THE SETTLEMENT

50. All of the negotiations leading to the Settlement Agreement were conducted on an adversarial, arms-length basis. The Honourable Warren Winkler, former Chief of Justice of Ontario, presided as mediator at mediation sessions on January 31, 2019 and March 4, 2019, and assisted in the negotiations outside the formal mediation sessions, which resulted in the Settlement Agreement.

51. The key terms of the Settlement Agreement are as follows:

(a) the Settlement is conditional upon the approval of this Honourable Court;

(b) the Settlement does not constitute an admission of liability by the Defendants;

(c) the Defendants and their insurers will pay C$6,500,000.00 all-inclusive for the benefit of the Class Members in full and final settlement;

(d) the Settlement Amount shall be paid to Siskinds within 30 days of execution of the Settlement Agreement, to be deposited into trust and from which funds shall be paid toward Administration Expenses incurred prior to the issuance of the Approval Orders, up to a maximum of $250,000;

(e) if the Settlement Agreement is approved by the Court, the claims of all Class Members asserted, or which could have been asserted in, the Action will be fully and finally released, and the Action will be dismissed;

(f) there is no provision for any reversion of the Settlement Amount to the Defendants or their insurers unless the Settlement is not approved and does not, therefore, become effective;

(g) the Net Settlement Amount will be distributed to Class Members who file claims in accordance with the Distribution Protocol; and

(h) the approval of the request for Class Counsel Fees and the Distribution Protocol are not a condition of the approval of the Settlement Agreement.

52. The Plaintiffs have received from the Defendants favourable costs awards of C$208,000.00 on the venue transfer motion, the motion to stay the Valuation Application, the motion for leave to appeal arising from that stay motion, the certification motion and the motion for leave to appeal arising from the certification motion. That amount will be added to the Settlement Amount for distribution to the Class Members. That amount is not included for the purposes of calculating Class Counsel Fees or the Funding Commission.

FIRST NOTICE

53. Pursuant to this Court's Order dated June 13, 2019, the following steps were taken to disseminate the First Notice, comprising a short-form version ("**Short-Form First Notice**") and a long-form version ("**Long-Form First Notice**"), in accordance with the Plan of Notice:

(a) on June 29, 2019, the Short-Form First Notice was published in English in the business section of the national weekend edition of *The Globe & Mail* and in French in the business section of *La Presse*;

(b) on June 28, 2019, English and French versions of the Short-Form First Notice were issued (with necessary formatting modifications) across Canada Newswire and sent to Institutional Shareholder Services Inc. (ISS);

(c) on June 28, 2019, the Long-Form First Notice was mailed, electronically or physically, to those persons and entities who had previously contacted Siskinds for purposes of receiving notice of developments in the Action;

(d) by July 8, 2019, Epiq Class Action Services Canada Inc. ("**Epiq**"), the Administrator, sent the Long-Form First Notice and the Claim Form to the Canadian brokerage firms in its proprietary databases requesting that the brokerage firms either send a copy of the Long-Form First Notice and the Claim Form to all individuals and entities identified by the brokerage firms as being Class Members, or to send the names and addresses of all known Class Members to the Administrator (who subsequently mailed the Long-Form First Notice and the Claim Form to the individuals and entities so identified);

(e) by July 8, 2019, Epiq sent the Long-Form First Notice and Claim Form to individuals and entities identified in the electronic list of potential Class Members sent by Baffinland's transfer agent to Epiq as required by the Settlement Agreement;

(f) on June 28, 2019, the Long-Form First Notice (English and French), the Settlement Agreement, the Collateral Agreement (redacted), a "Summary Rationale for Settlement" and a "Guide to the Distribution Protocol" were published on Siskinds' website;

(g) Siskinds has made a toll-free number and email address available to the public that will enable Class Members to contact Siskinds in order that they may, amongst other things, obtain more information about the Settlement, how to object to the Settlement, the claims process and the opt out process, and/or request that a copy of the Settlement Agreement, the long-form First Notice and the Claim Form be electronically or physically mailed to them; and

(h) on or before August 7, 2019, Siskinds will publish on its website:

(i) this affidavit;

(ii) an affidavit sworn by the representative plaintiff, Peter Rooney;

(iii) an affidavit sworn by the representative plaintiff, Archie Leach; and

(iv) the Plaintiffs' factum in support of the motions for approval of the Settlement and approval of Class Counsel Fees.

SECOND NOTICE

54. The Settlement Agreement requires that the distribution of the Second Notice, comprising a short-form version ("**Short-Form Second Notice**") and a long-form version ("**Long-Form Second Notice**"), occur in accordance with the Plan of Notice. Copies of the proposed Short-Form Second Notice and the proposed Long-Form Second Notice are attached hereto as Schedules "F" and "G" to the Settlement Agreement, respectively. The Plan of Notice is attached as Schedule "H" to the Settlement Agreement.

55. The Plan of Notice provides that:

(a) the English and French language versions of the Short-Form Second Notice will be issued (with necessary formatting modifications) across Canada Newswire and also sent to Institutional Shareholder Services Inc. (ISS);

(b) the English and French language versions of the Long-Form Second Notice will be published on Siskinds' website; and

(c) Siskinds will mail or email the Long-Form Second Notice to those persons that have contacted Siskinds as of the publication date regarding this litigation and that have provided us with their contact information.

56. We will also make a toll free number and email address available to the public that will enable Class Members to obtain more information about the Settlement and to request that a copy of the Long-Form Second Notice be sent electronically or physically to them directly.

57. In light of the extensive program undertaken to distribute the First Notice, which included providing notice directly to Class Members, and the fact that all material information from the Class Members' perspective was included in the First Notice, we consider it appropriate that a less extensive program be utilized for the Second Notice. The content and manner of dissemination of the Second Notice are consistent with the programs approved and implemented in other similar cases in which our firm is counsel.

FACTORS SUPPORTING THE FAIRNESS AND REASONABLENESS OF THE SETTLEMENT

Information Available to Counsel

58. In assessing the reasonableness of the Settlement, we had access to and considered the following sources of information:

(a) all of Baffinland's relevant disclosure documents and other publicly available information concerning the Defendants;

(b) trading data;

(c) the submissions of the Defendants on the motions to strike heard in 2014/2015, the reasons of this Honourable Court on that motion and those of the Court of Appeal on the subsequent appeal;

(d) the submissions of the Defendants on the certification motion heard in 2018 and the reasons of this Honourable Court on that motion;

(e) the views of the Court expressed in the various other interlocutory decisions rendered in this Action;

(f) the OSC Decision, transcripts of the hearing before the OSC Panel and documentary exhibits tendered in the OSC proceeding. The documentary exhibits included, among other things, documents related to Baffinland's search for a strategic partner to develop the Mary River Project, documents relevant to the Joint Venture negotiations with ArcelorMittal (including the August 2010 Term Sheet and various other proposed Joint Venture terms), an assessment of the value of the Joint Venture prepared for Baffinland by CIBC World Markets Inc. ("**CIBC**"), documents relevant to Nunavut's hostile take-over bid and ArcelorMittal's friendly

take-over bid (including assessments of the value of the bids prepared by CIBC, Baffinland board minutes and Baffinland special committee meeting minutes), non-public studies of the Mary River Project such as the 2010 Conceptual Study and various versions of Waheed's financial model of the Mary River Project prepared in advance of and during the take-over bid process;

(g) documents requested from the Defendants in advance of the January 2019 mediation which included, among other things, presentations/reports to the Baffinland board and special committee assessing the value of the various take-over bids;

(h) an expert report prepared by Duff & Phelps for the Defendant 1843208 Ontario Inc. in the Valuation Application ("**Duff & Phelps Report**");

(i) an expert report prepared by James Canessa for the Plaintiffs for mediation purposes that responded to the Duff & Phelps Report ("**Canessa Report**");

(j) the input of Mr. Winkler in his capacity as mediator; and

(k) the positions taken by the Defendants and their insurers during the course of the mediations.

59. In our view, we possessed more than adequate information to make an informed recommendation concerning resolution of the Action as against the Defendants on the basis upon which it was resolved.

60. In our view, the terms of the Settlement Agreement are fair, reasonable and in the best interests of the Class. The Settlement Agreement delivers an immediate benefit to Class Members in exchange for the release of their claims which, while we believed them to be meritorious, faced significant challenges.

61. I explain below aspects of our rationale for recommending the Settlement to the Plaintiffs, the Class, and to the Court.

Litigation Risks

62. In discussing litigation risks, we refer to both the various generic risks inherent in all litigation that influence the range of outcomes, as well as case specific risks.

63. In speaking of the generic risks inherent in litigation, we are referring to the risks arising from the passage of time, and the procedural risks that inhere in litigation of this complexity, such as the risk that witnesses will not appear or will not give the evidence expected of them, and the risk of adverse procedural or evidentiary rulings.

64. With the passage of time, documentary evidence may no longer be available, and witnesses may die or their memories of the material events may fade, all of which would impact the Plaintiffs' ability to prove their case.

65. The passage of time also applies to Class Members. By the time the discovery and trial process, including appeals from the trial judgment, would have concluded, more than 10 years would have passed from when the Class Members' shares were tendered and/or sold. With the passage of that amount of time, some Class Members may no longer be alive, corporate Class Members may no longer exist, some Class Members may not have retained the required transaction records to support their claims and some Class Members may not be inclined to file a claim.

66. The more specific risks are those related to the issues arising in this particular case. The critical risks that we identified are explained detail below.

(a) No misrepresentation; disclosure prohibited; no materiality

67. The core of the Plaintiffs' claims against the Defendants is that, during the bid process, there were misstated or undisclosed "material facts" that prevented the Class Members from assessing the true value of Baffinland and the Mary River Project. The Plaintiffs advanced misrepresentation claims under section 131 of the *OSA* in respect of the various take-over bid and directors' circulars, which requires proof of a "misrepresentation". A "misrepresentation" is defined in the *OSA* as "(a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made". A "material fact" is "a fact that would reasonably be expected to have a significant effect on the market price or value of the securities". Similarly, the Plaintiffs' claims against the Offerors for insider trading and tipping under section 134 of the *OSA* requires proof of a "material fact … with respect to the issuer that has not been generally disclosed". Further, the Plaintiffs' oppression and unjust enrichment claims were premised, in part, on an allegation that there were misrepresentations in the disclosure documents.

68. The misrepresentation claims included the following allegations:

(a) a failure to disclose the terms of the proposed Joint Venture with ArcelorMittal, including the August 10, 2010 Term Sheet;

(b) a failure to disclose the 2008 Expansion Study, the 2010 Conceptual Study and the 2011 Road Feasibility Study, and/or that disclosures related thereto were misleading and incomplete;

(c) a failure to disclose budgets and financial forecasts, financial models, exploration plans, negotiations with the Nunavut Impact Review Board, Board materials,

details on the search for a strategic partner, royalty negotiations and other matters, and/or that disclosures related thereto were misleading and incomplete; and

(d) Baffinland's January 13, 2011 press release disclosing the results of the 2011 Road Feasibility Study contained misrepresentations.

69. The Defendants took the position that there was no liability because there were no misstatements, that adequate disclosure of the alleged undisclosed material facts had been made in other disclosure documents, that the alleged undisclosed material facts could not be disclosed under securities law and/or that those facts were not material in any event. These arguments would have presented significant obstacles for the Plaintiffs at trial.

70. We viewed the alleged misrepresentations relating to the proposed Joint Venture negotiations between Baffinland and ArcelorMittal as the strongest misrepresentation claims. However, there were a number of significant challenges with these allegations:

(a) certain of the circulars did disclose details with respect to the progress of the negotiations between ArcelorMittal and Baffinland. While the circulars did not disclose the precise financial or other terms of the proposed Joint Venture, such as the content of the August 2010 Term Sheet, there is a risk that a Court would find that these disclosures were sufficient to discharge the Defendants' disclosure obligations;

(b) although ArcelorMittal and Baffinland had agreed on the August 2010 Term Sheet, it was non-binding, and definitive agreements setting out the terms of the Joint Venture were still being negotiated at the time of the launch of the Nunavut take-over bid. There was a risk that a Court would find that the details set out in the August 2010 Term Sheet were not material; and

(c) the negotiations between Baffinland and ArcelorMittal regarding the Joint Venture were abandoned after Nunavut commenced its hostile take-over bid on September 22, 2010. Because the Joint Venture was no longer an option available to Baffinland at the time of the release of most of the circulars and the completion of the Joint Bid, there is a risk that a Court would find that the terms that had been under discussion in respect of the abandoned Joint Venture were not material facts.

71. There was also significant risk attached to the misrepresentation claims advanced with respect to the non-disclosure of the 2008 Expansion Study, the 2010 Conceptual Study and the 2011 Road Feasibility Study, including the following risks:

(a) that a Court would find that adequate disclosure of the substance of the studies had been made, even if the studies themselves had not been released: details of the 2008 Expansion Study, such as the projected production rate and deposits involved, were disclosed in a June 19, 2008 press release and in other documents; there was some disclosure of the relevant facts related to the 2010 Conceptual Study in Baffinland news releases and in the impugned circulars, including that such a study had taken place and some high-level details of the study's conclusions; and the results of the 2011 Road Feasibility Study were disclosed in a January 13, 2011 Baffinland press release immediately prior to the Joint Bid;

(b) that a Court would find that disclosure was prohibited by National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), such that non-disclosure of those studies could not form the basis for a liability finding against the Defendants. NI 43-101 prohibited issuers from disclosing the results of an economic analysis that included inferred mineral resources. The 2008 Expansion

Study was based predominantly on inferred resources. NI 43-101 arguably also prohibited disclosure of the 2010 Conceptual Study because the information contained in it was not sufficiently reliable; and

(c) that a Court would find that the 2010 Conceptual Study was superseded by the 2011 Road Feasibility Study, the economic results of which were disclosed by Baffinland in its January 13, 2011 press release.

72. The Plaintiffs allege that the January 13, 2011 press release describing the 2011 Road Feasibility Study (described in, and incorporated by reference into, the Baffinland directors' circular dated January 17, 2011) was misleading because it suggested the more profitable rail option was being abandoned in favour of the road option and that the higher reserve estimate from the 2008 Feasibility Study was no longer valid and had been superseded by the 2011 Road Feasibility Study. However, the Defendants argued that the press release and previous Baffinland disclosures made it clear that Baffinland still intended to pursue the rail option at some point in time, and that the reference to the reserve estimate from the 2008 Feasibility Study being superseded and no longer valid was in compliance with the relevant disclosure rules under NI 43-101. There was a real risk that a Court would find that there had been no misrepresentation in that press release.

73. Finally, with respect to the items listed at paragraph 68(c), there are similar risks to the Plaintiffs' claim, such as the previous disclosure of some of the facts related to those items or a prohibition on their disclosure. There is also a risk that a Court would find that these were not material facts that required disclosure. There is Supreme Court precedent holding that the disclosure of every detail about an issuer is not required since doing so would overwhelm investors with details. There was a substantial risk that a court would find that

budgets, financial forecasts, models, exploration plans and the like fall into the category of immaterial matters not requiring disclosure.

(b) Oppression: no oppressive conduct in violation of the reasonable expectation

74. The Plaintiffs sought relief from oppression under section 248 of the *OBCA* against Baffinland, Ms. Dimitrov, Mr. McCloskey and Mr. Lydall. Relief from oppression was sought on several grounds, including most importantly on the basis of the following:

(a) failing to ensure that the terms of the Support Agreement between Baffinland and ArcelorMittal contained terms that prevented ArcelorMittal from joining forces with a hostile take-over bidder, which it ultimately did, when such terms were in common use in similar circumstances, which failure meant that the auction between Nunavut and ArcelorMittal was brought to an end and the Joint Bid could be commenced;

(b) failing to take steps to prevent Mr. Waheed from violating the terms of his confidentiality agreement with Baffinland when those steps could have put a stop to the Nunavut bid and thus preserved the more valuable Joint Venture, or provided time for other bidders to commence competing bids for Baffinland's securities; and

(c) Ms. Dimitrov, as an officer and director of Baffinland, engaging in unlawful "tipping" by providing undisclosed material information to Mr. Waheed in the period leading up to the launch of the Nunavut take-over bid.

75. The Plaintiffs would have argued that this conduct violated the Class Members' reasonable expectations of shareholder value maximization and a fair process. While the Plaintiffs were confident that they could establish the existence of those reasonable expectations on a class-wide basis, they faced more significant challenges in establishing that the

expectations were violated in an oppressive manner by the alleged misconduct of the Defendants.

76. With respect to the allegation concerning the Support Agreement and the failure to preserve the auction between ArcelorMittal and Nunavut, the Plaintiffs faced a number of risks with respect to these allegations:

(a) that the Court would find that restrictions on joint bids were not a common feature of support agreements in other transactions;

(b) that the Court would find that any failure to include a specific term in the Support Agreement was not oppressive of the Class Members' reasonable expectations because there was in fact a competitive bid process that resulted in increased consideration to Class Members. The bid process was open for close to four months prior to the commencement of the Joint Bid. Baffinland retained CIBC to search for a "white knight" and many potential bidders had been canvassed. The only prospective "white knight" willing to make a bid was ArcelorMittal. There was also a substantial increase in the offering price for Baffinland's Common Shares over the course of the bid process (an 87% increase from the initial bid of $0.80 to the Joint Bid price of $1.50 per Common Share). Moreover, the price of the Joint Bid, $1.50 per Common Share, was close to the maximum value of the proposed Joint Venture with ArcelorMittal, which, according to work done by CIBC at the time, had a value of $0.82 to $1.58 per Common Share. Further, there is some basis for believing that the auction between ArcelorMittal and Nunavut was at or near its conclusion at the time the Joint Bid was commenced; and

(c) the Support Agreement was a public document that was filed on SEDAR on November 8, 2010. There is a risk that the Plaintiffs could not sustain this allegation because some of the Class Members acquired BIM Securities after the Support Agreement was made public and, therefore, "bought into the oppression".

77. With respect to the alleged failure to take steps to prevent Mr. Waheed from violating the terms of his confidentiality agreement, which could have prevented the Nunavut take-over bid and preserved the Joint Venture with ArcelorMittal, there were a number of risks:

(a) there is evidence that Baffinland did in fact take a number of steps in response to the Nunavut bid, including the Baffinland board of directors recommending to Baffinland shareholders that they not tender to the Nunavut bid, complaining to the OSC about Mr. Waheed's conduct, putting in place a second shareholder rights plan ("poison pill") to provide more time to explore alternatives to the Nunavut bid, and canvassing potential alternative bidders;

(b) the Court could find that the Class Members who acquired their BIM Securities on or after the Nunavut bid was commenced on September 22, 2010 ("**Post-Bid Class Members**") "bought into the oppression" and thus are not entitled to a remedy; and

(c) the Joint Venture negotiations had been ongoing for some time and there was no guarantee that they would be successfully concluded even if Nunavut's hostile bid had been restrained.

78. Finally, the OSC Decision cast significant uncertainty over the Plaintiffs' ability to establish the oppression claims based on the allegation that Ms. Dimitrov engaged in unlawful tipping. In the OSC Decision, the OSC Panel held that Mr. Waheed and Mr. Walter had not engaged in insider trading or tipping. The Plaintiffs' tipping allegations

against Ms. Dimitrov were based on the same facts as those that were the subject of the insider trading allegations against Mr. Waheed in the OSC enforcement proceeding. Accordingly, there was a significant risk that a Court would conclude that Ms. Dimitrov had not engaged in tipping.

(c) No or minimal damages

79. If the Plaintiffs were successful in establishing the liability of the Defendants, the Plaintiffs faced significant difficulty in establishing that the Class Members are entitled to damages.

80. The premise underpinning this Action is that Class Members who tendered their BIM Securities to the take-over bid or otherwise disposed of their BIM Securities on the secondary market on or after January 14, 2011 received too low a price for those securities. It would have to be proven that the BIM Securities were worth more than was received by Class Members as a consequence of the Defendants' misconduct. Based on the documents and other information in Siskinds' possession, there was a significant risk that a Court would not find that the value of the BIM Securities was more than the amount received by Baffinland securityholders under the Joint Bid, resulting in no or minimal recovery for the Class.

81. The challenge for the Plaintiffs from a damages perspective was in showing that there were scenarios that could have materialized, if the Defendants had not engaged in the alleged misconduct, that would have resulted in an economically more advantageous outcome for Class Members than what they received. For example, that the proposed Joint Venture between ArcelorMittal and Baffinland would have proceeded and it would have been more valuable to Class Members than the consideration received under the Joint Bid; or that the competing bids from Nunavut and ArcelorMittal would have continued and provided more

value to Class Members than the consideration received under the Joint Bid; or that some other party might have come along and agreed to bid for Baffinland or to develop the Mary River Project as a strategic partner with Baffinland, which would have provided more value to Class Members than the consideration received under the Joint Bid.

82. The Plaintiffs faced real difficulty in establishing any of those counterfactual scenarios. A significant complicating factor in the damages analysis in this case is that Baffinland appeared to have very few options available to it for the development of the Mary River Project that would allow Baffinland's shareholders to unlock the value of their Baffinland shares. It appears that Baffinland had spent considerable time, both prior to and during the take-over bid process, seeking out other strategic partners or bidders, but the only available options were the proposed Joint Venture with ArcelorMittal (negotiations over which ceased following the Nunavut bid) and the take-over bids of ArcelorMittal and Nunavut (which eventually became the Joint Bid). The lack of options can be explained in part by the fact that the development of the Mary River Project is a complex, expensive and time-consuming venture and few companies appeared willing to take on such a venture. These issues would have created challenges for the Plaintiffs in establishing that they and the Class Members were deprived of some more valuable alternative to the Joint Bid as a result of the alleged misconduct of the Defendants.

83. Further, the claims of the Post-Bid Class Members were more complex from a damages perspective. The Post-Bid Class Members acquired their BIM Securities when Baffinland was "in play" and it could be argued that they did so to profit from the take-over bid process, and not because of any interest in the long-term profitability of Baffinland and the value of the Mary River Project. Many of the Post-Bid Class Members would have realized a significant profit on their purchases of BIM Securities. The offer for Baffinland's

Common Shares increased by 87% from Nunavut's initial hostile bid ($0.80 per Common Share) to the Joint Bid ($1.50 per Common Share). In those circumstances, it would have been more challenging to argue that the Post-Bid Class Members were damaged by the conduct of the Defendants.

84. As noted above, one approach that could be taken to determine the damages of the Class Members is to look at the value of the proposed Baffinland/ArcelorMittal Joint Venture for the development of the Mary River Project that was interrupted by the Nunavut bid. However, a valuation prepared by CIBC during the bid process valued the Joint Venture at between $0.82 and $1.58 per Common Share. The upper-end of the CIBC valuation of the Joint Venture was only $0.08 above the price of $1.50 per Common Share offered under the Joint Bid. There are a number of factors supporting CIBC's valuation of the Joint Venture as an indicator of maximum damages per share:

(a) the value of the Joint Venture is an appropriate measure of Baffinland's value. Baffinland, as a junior mining company, did not have the capital or expertise to develop the Mary River Project. It needed a partner, such as ArcelorMittal, to successfully develop the Mary River Project;

(b) there is no reason to believe that Baffinland would have received more favourable terms from a different joint venture partner or that one could even be found. Baffinland started the search for a strategic partner in 2008. Despite Baffinland's significant efforts to find a strategic partner (which included hiring CIBC to aid in the search), the only entity that showed significant interest was ArcelorMittal. Due to the lack of other options and Baffinland's weak financial position, it was also unlikely that Baffinland would have been able to negotiate more favourable terms

than the terms it was in the process of negotiating with ArcelorMittal. Indeed, it had been engaged in negotiations with ArcelorMittal for an extended period of time; and

(c) the OSC Panel was persuaded by this valuation. It held that Baffinland shareholders "were not financially disadvantaged in any material way" by the Joint Bid since $1.50 per Common Share "was close to the top of the range of values which CIBC estimated that the ArcelorMittal joint venture proposal represented (which itself was highly contingent on a number of uncertain events)".

85. For the purposes of mediation, the Plaintiffs had the benefit of the Duff & Phelps Report prepared by Baffinland for the Valuation Application and the responding Canessa Report prepared for the Plaintiffs. The Duff & Phelps Report concluded that Baffinland's Common Shares had a fair value of between $1.00 and $1.50 per Common Share. The low-end of that fair value range was determined through a discounted cash flow analysis based on the development of the Mary River Project under the 2008 Feasibility Study, with some adjustments to the assumptions used in the 2008 Feasibility Study to make them current to the valuation date. The upper-end of the fair value range was based on the "market process" that resulted in the price of $1.50 per Common Share under the Joint Bid. If a Court accepted the Duff & Phelps Report, then there would be no damages since Class Members would have received fair value for their BIM Securities.

86. The Canessa Report responded to the Duff & Phelps Report. It provided an estimate of the fair value of Baffinland's Common Shares by adjusting some of the assumptions used in the Duff & Phelps Report; specifically, assumptions related to the discount rate, iron ore prices, the premium on high grade iron ore from the Mary River Project and capital

expenditures required for the development of the Mary River Project. By altering these assumptions, Mr. Canessa arrived at a valuation of $2.10 to $3.98 as of September 22, 2010 and $1.27 to $3.13 as of February 17, 2011.

87. The significant limitation of the Canessa Report is that the determination of "fair value" does not necessarily reflect the damages to which the Class Members are entitled as a result of the conduct of the Defendants. It is a separate measure to be applied in the context of the Valuation Application.

88. In recognition of the relative weakness of the claims of the Post-Bid Class Members (as discussed above), Siskinds approached settlement negotiations by focusing on the Common Shares that fall within the class definition (*i.e.* they were either tendered to the take-over bid or sold on the secondary market on or after January 14, 2011) and that were held as of the commencement of the Nunavut take-over bid on September 22, 2010 ("**Pre-Bid Class Members**"). Siskinds estimates that Pre-Bid Class Members accounted for approximately 80 million Common Shares, whereas Post-Bid Class Members accounted for approximately 261 million Common Shares, out of a total of approximately 341 million Common Shares falling within the class definition (comprising approximately 227 million Common Shares taken up under the Joint Bid and 114 million Common Shares sold on the secondary market on or after January 14, 2011, after excluding the Common Shares of the "Excluded Persons" who were carved out of the class).

89. The difference between the amount received by Pre-Bid Class Members for their Common Shares ($1.50) and CIBC's high-water mark for the value of Baffinland Common Shares ($1.58) is $0.08. The maximum total damages for the approximately 80 million Common

Shares of Pre-Bid Class Members is approximately C$6.4 million, which approximates the Settlement Amount.

90. For the total number of Common Shares of the Class Members (approximately 341 million Common Shares), applying the same damages per share ($0.08), maximum total damages was approximately C$27.3 million.

91. Notably, these damages estimates do not account for the risks associated with establishing liability at trial discussed above.

Immediate Benefit

92. The Settlement eliminates these identified risks to recovery and instead provides an immediate and substantial benefit to Class Members in exchange for the release of their claims.

PROPOSED DISTRIBUTION PROTOCOL

93. The proposed Distribution Protocol is attached as Schedule "I" to the Settlement Agreement.

94. Attached hereto and marked as **Exhibit "D"** is a copy of a Guide to the Distribution Protocol ("**Guide**") that was posted on Siskinds' website on June 28, 2019.

95. The key elements of the Distribution Protocol are as follows (definitions in the Distribution Protocol apply in this section):

(a) the objective of the Distribution Protocol is to equitably distribute the Net Settlement Amount among Authorized Claimants having regard to the issues in the Action;

(b) the Administrator will administer all claims pursuant to the terms of the Distribution Protocol;

(c) the Administrator, in the absence of reasonable grounds to the contrary, will assume Claimants to be acting honestly and in good faith;

(d) Claimants have 180 days from the publication of First Notice to submit a claim to the Administrator;

(e) the Administrator will have discretion to correct minor omissions or errors in a Claim Form;

(f) in the event of a denial of a claim by the Administrator, there is a process whereby a Claimant can request that there be a reconsideration of the claim. Any decision of the Administrator after a reconsideration of the claim is final and binding and not subject to further review or appeal; and

(g) this is a non-reversionary settlement and, as such, the Net Settlement Amount will be distributed to Authorized Claimants on a *pro rata* basis. Each Authorized Claimant's *pro rata* interest in the Net Settlement Amount will depend on their "Net Settlement Amount Interests" ("**NSAI**"). Each Authorized Claimant's NSAI will be calculated on the following basis:

Eligibility Criteria	Net Settlement Amount Interests
Common shares held at close of trading on September 21, 2010 and tendered for sale or otherwise disposed of on or after January 14, 2011	Three (3) NSAI for each such common share

Eligibility Criteria	Net Settlement Amount Interests
2007 warrants held at the close of trading on September 21, 2010 and tendered for sale or otherwise disposed of on or after January 14, 2011	One-fifth (0.2) NSAI for each such 2007 warrant
Common shares purchased between September 22, 2010 and January 13, 2011 (inclusive) and tendered for sale or otherwise disposed of on or after January 14, 2011	Three-quarters (0.75) NSAI for each such common share
2007 warrants purchased between September 22, 2010 and January 13, 2011 (inclusive) and tendered for sale or otherwise disposed of on or after January 14, 2011	One-twentieth (0.05) NSAI for each such 2007 warrant
Common shares purchased on or after January 14, 2011 and tendered for sale or otherwise disposed of on or after January 14, 2011	0 NSAI for each such common share
2007 warrants purchased on or after January 14, 2011 and tendered for sale or otherwise disposed of on or after January 14, 2011	0 NSAI for each such 2007 warrant

96. The attribution of NSAI in the Distribution Protocol is designed to account for the following:

(a) 2007 Warrants receive one-fifteenth of the NSAIs attributed to Common Shares purchased during the same period because the consideration paid for 2007 Warrants under the Joint Bid ($0.10 per 2007 Warrant) was one-fifteenth of the consideration paid for Common Shares under the Joint Bid ($1.50 per Common Share), reflecting the relative value of the 2007 Warrants and the Common Shares;

(b) the higher NSAI for BIM Securities acquired prior to the launch of the Nunavut take-over bid on September 22, 2010 is designed to assign greater value to the Pre-Bid Class Members with a long-interest in Baffinland, who we viewed as having

lower litigation risk than the Post-Bid Class Members (for the reasons discussed above); and

(c) Class Members who acquired their BIM Securities on or after January 14, 2011 receive zero NSAI for those BIM Securities to reflect two key factors:

(i) because the Plaintiffs' case theory is premised on the Class Members having disposed of their BIM Securities at too low a price, those Class Members who acquired their BIM Securities on or after January 14, 2011 would also have acquired those BIM Securities at too low a price and thus cannot claim to have suffered any damage; and

(ii) it will avoid double-compensation in respect of the same BIM Securities in that a Class Member who acquired their BIM Securities prior to January 14, 2011 and then sold those BIM Securities on the secondary market on or after January 14, 2011 would be entitled to NSAI, whereas a second Class Member who acquired the BIM Securities from the first Class Member on or after January 14, 2011 would not be entitled to NSAI for those BIM Securities when subsequently tendered or otherwise disposed of.

97. Based on our knowledge of the facts of this Action and our experience in other securities class action settlements, we believe that the Distribution Protocol will achieve its stated objective of equitably distributing the Net Settlement Amount among Authorized Claimants.

FUNDING COMMISSION

98. Under the terms of the Funding Agreement, the "Commission" payable to the Funder is 7% of the "Net Resolution Sum", which is defined as the "Resolution Sum less (i) Lawyers'

fees and disbursements, including HST; and (i) Administration Expenses". The "Administration Expenses" cannot be quantified with certainty until the conclusion of the administration of the Settlement, and as such the final amount of the "Commission" payable to the Funder cannot be determined until the conclusion of the administration.

99. Siskinds proposes that an interim payment be made to the Funder based on estimate of the "Administration Expenses". The amount of the interim payment is expected to be less than the amount of the final "Commission", such that a further payment to the Funder is expected at the conclusion of the administration. Siskinds estimates the appropriate interim payment as $248,636.88.

100. In Siskinds' experience, it can take more than a year after settlement is approved for funds to be distributed to settlement claimants. Siskinds believes that an interim payment to the Funder is fair, and will encourage the participation of third-party financing in future cases, which in turn will facilitate access to justice.

APPROVAL OF CLASS COUNSEL FEES

Class Counsel Fees Requested

101. Siskinds seeks the approval of Class Counsel Fees in the amount of C$1,787,500.00 plus taxes and reimbursement for disbursements.

102. The legal fee and disbursement request may be summarized as follows:

ITEM	TOTAL
Fee Request:	$1,787,500.00
Taxes on Fee Request:	$232,375.00
Disbursements:	$266,798.55
Taxes on Disbursements:	$34,524.44
Total Fee/Disbursement Request (including applicable taxes):	**$2,321,197.99**

Retainer Agreements

103. Siskinds' fee request is consistent with the retainer agreements entered into with the Plaintiffs in January 2012, which are attached to the Plaintiffs' respective affidavits.

104. The operative terms of the retainers for Peter Rooney and Archie Leach are identical. Those retainers provided that Siskinds will be entitled to 27.5% of the "Net Amount Recovered" if a recovery occurs after a decision is rendered by the Court on a contested certification motion but before the commencement of the common issues trial.

105. This Action has been certified as a class proceeding following a contested certification motion. The fee request of C$1,787,500.00 is 27.5% of C$6,500,000.00, which is the "Net Amount Recovered".

106. As a consequence of the Plaintiffs' success on several interlocutory motions during the course of the litigation, the Plaintiffs received favourable costs awards of C$208,000.00. The costs awards will be added to the Settlement Amount to be distributed to the Class in accordance with the Distribution Protocol. The amount of the favourable costs awards has not been included in the "Net Amount Recovered" for the purposes of calculating the

27.5% contingency fee. The amount has also not been included in the calculation of the Funding Commission.

Risks assumed by Siskinds supporting the fee request

107. As elaborated below, prior to the commencement of the Action, Siskinds assessed and assumed the following risks of prosecuting this complex securities class action with an uncertain outcome, including exposure to our own fees and disbursements.

108. In my experience as part of Siskinds' securities class actions practice group, the complications and resulting cost of prosecuting a complex securities class action like this one can be very significant.

109. Securities class actions in Ontario are generally complex, hard fought, expensive and can be protracted. It has been our experience to date that, because securities class actions are relatively new to Canada, often interlocutory motions and certification motions will raise issues of first impression and result in appeals.

110. This Action is a case in point. It was commenced more than eight years ago and has been the subject of several interlocutory motions and an appeal. The comprehensive motions to strike brought by the Defendants raised novel issues with respect to the interpretation of section 131 of the *OSA* that were ultimately resolved by the Ontario Court of Appeal. These motions considerably delayed the prosecution of the case. The Defendants' motions to strike were argued over five days in December 2014 and January 2015, with the decision released on July 30, 2015. The appeal of the decision was heard on May 4, 2016, with the decision of the Court of Appeal for Ontario released on August 17, 2016. That decision is now a leading decision on the interpretation of section 131 of the *OSA*.

111. There were several other interlocutory motions and a contested certification motion that further delayed the prosecution of the Action.

112. At the commencement of this Action, Siskinds was faced with the risks inherent to the prosecution of a securities class action in Ontario. It was anticipated that:

(a) this case would be hard fought by multiple defence firms all of whom are expert in the defence of securities cases;

(b) there would be resistance to the certification motion;

(c) there was likely to be multiple other hard-fought interlocutory motions;

(d) if successful on the certification motion, following appeals, there would be production of tens of thousands of documents and weeks of examinations for discovery;

(e) if the case did not settle, there would be a very lengthy trial with an uncertain outcome; and

(f) if litigation funding was not secured, the exposure to potential adverse costs awards, including the fees and disbursements of multiple defence firms and their various experts, would be considerable, most certainly in the millions of dollars.

Fees and disbursements financed to date

113. Since the commencement of the Action up to and including July 31, 2019, Siskinds has docketed fees of C$3,158,780.00 with HST on those fees of C$410,641.40.

114. Since the commencement of the Action up to and including July 31, 2019, Siskinds has financed disbursements of C$266,798.55 with HST on those disbursements of C$34,524.44.

115. The hourly rates and hours expended since the commencement of the Action up to and including July 31, 2019 by the primary Siskinds lawyers involved in this file are as follows:

LAWYER	HOURLY RATE	HOURS
Michael G. Robb (2002 ON Call)	$475.00	279.10
	$500.00	158.40
	$525.00	235.60
	$550.00	158.90
	$575.00	88.20
	$660.00	54.40
	$700.00	66.30
	$750.00	176.20
	$800.00	148.60
Anthony O'Brien (2008 ON Call; 2006 AU Call)	$350.00	286.10
	$375.00	182.80
	$395.00	256.20
	$415.00	220.90
	$445.00	23.30
	$450.00	147.40
	$500.00	290.90
	$600.00	204.50
Dimitri Lascaris (2004 ON Call; 1992 NY Call)	$585.00	62.30
	$600.00	52.80
	$650.00	9.30
	$675.00	2.20

	$775.00	0.30
Douglas M. Worndl (1989 ON Call)	$500.00	529.80
	$590.00	1,247.00
Garett M. Hunter (2017 ON Call)	$165.00	73.70
	$200.00	256.40
	$275.00	146.20
Nicholas C. Baker (2011 ON Call; 2009 AU Call)	$200.00	0.90
	$210.00	30.80
	$350.00	16.10
	$375.00	58.90
	$400.00	134.60
	$500.00	76.40
Charles M. Wright (1995 ON Call)	$625.00	2.00
	$650.00	2.00
	$675.00	7.10
	$700.00	3.90
	$850.00	0.40
	$900.00	0.20
	$950.00	21.20

116. The following chart sets out the disbursements that have been financed by Siskinds in pursuing the Action, up to and including July 31, 2019:

ITEM	TOTAL
Courier	$3,017.68
Copies	$30,152.24

Long Distance Calls	$1,341.92
Postage	$292.61
Research/Resource Material	$20,654.79
Binding Supplies	$469.35
Expert Fees	$112,350.95
Court Fees	$1,516.55
Agent Fees and Disbursements	$31,428.73
Mediation Expenses	$24,000.00
Mileage/Travel/Meals	$13,513.52
Media/Notice	$2,242.90
Investigation Expenses	$649.00
Service of Documents	$9,157.69
Obtaining Copies of Documents from the OSC litigation	$15,255.16
Document Storage	$755.46
TOTAL BEFORE TAX	$266,798.55
TAX	$34,524.44
TOTAL INCLUDING TAX	**$301,322.99**

Anticipated fees and disbursements to be incurred

117. We estimate that we will spend time valued at approximately an additional C$75,000.00 to complete the administration of the Settlement, if the Settlement Agreement is approved by this Honourable Court. I understand that this additional time will be spent to:

(a) prepare for and attend the Settlement approval hearing on September 6, 2019;

(b) assist in implementation of Part 2 of the Plan of Notice, related to the notice of the approval of the Settlement;

(c) liaise with the Administrator to ensure the fair and efficient administration of the Settlement Agreement and Distribution Protocol; and

(d) respond to inquiries from Class Members and their lawyers, if applicable, regarding the Settlement Agreement and the Distribution Protocol.

SWORN OR AFFIRMED before me at the City of London, in the Province of Ontario, this 7th day of August, 2019.

A Commissioner, etc. *(or as may be)*

Britanny Basra
P14222

Garett M. Hunter

This is Exhibit "A" mentioned and referred to in the Affidavit of Garett Hunter, sworn before me at the City of London, in the Province of Ontario, this 7th day of August, 2019.

A Commissioner, etc.

BAFFINLAND IRON MINES CORPORATION
CLASS ACTION SETTLEMENT AGREEMENT

Made as of June 7, 2019

BETWEEN

PETER ROONEY and ARCHIE LEACH

("Plaintiffs")

– and –

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

("Defendants")

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SETTLEMENT AGREEMENT

Subject to the approval of the Court as provided herein, the Plaintiffs and the Defendants hereby agree that in consideration of the promises and covenants set forth in this Agreement and upon the Effective Date, this Action will be settled and compromised, and the Settlement implemented, pursuant to the terms and conditions contained herein.

SECTION 1 - RECITALS

WHEREAS:

A. On April 19, 2011, the Plaintiffs commenced the Action on behalf of the Class against the Defendants alleging, among other things, material misrepresentations in certain of the Defendants' public disclosures in connection with the take-over of Baffinland by the Offerors.

B. By order dated May 18, 2018, the Court certified the Action as a class proceeding and appointed the Plaintiffs as representative plaintiffs.

C. The Parties have engaged in years of hard-fought litigation in the Court, including numerous contested motions and appeals.

D. The Parties have engaged in hard-fought arm's length negotiations, including a mediation session before the Honourable Warren K. Winkler (ret.) and subsequent negotiations with the assistance of Mr. Winkler, which resulted in an agreement in principle to settle the Action.

E. The Defendants have denied and continue to deny the Plaintiffs' claims in the Action, have vigorously denied any wrongdoing or liability of any kind whatsoever, have asserted and would have actively and diligently pursued affirmative defences and other defences had this Action not been settled.

F. The Plaintiffs, with the benefit of advice from Class Counsel and based upon an analysis of the facts and law applicable to the issues in this Action, taking into account the burdens, complexities, risks and expense of continued litigation, the estimated total damages suffered by Class Members, legal limitations on the value of the claims advanced, the value of an early settlement as well as the fair, cost-effective and assured method of resolving the claims of the Class, have concluded that settlement on the terms set out in this Agreement is fair, reasonable and in the best interests of the Class.

G. The Defendants, similarly, have concluded that settlement on the terms set out in this Agreement is desirable in order to avoid the time, risk and expense of continuing with the Action, including any potential appeals, and to resolve finally and completely the pending claims raised in the Action.

H. As hereinafter provided, the Parties intend to and hereby do finally resolve this Action and all the claims that were or could have been asserted in the Action against the Defendants, without any admission of liability or wrongdoing whatsoever by the Defendants, or any of them, with prejudice and without costs, subject to the approval of this Agreement by the Court.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that this Agreement represents the agreement between the Parties to resolve and release, fully and finally, in accordance with the terms more particularly set out herein, all Released Claims, and subject to the approval of the Court as provided herein, to obtain the Second Order that is a Final Order dismissing the Action as against the Defendants with prejudice and without costs.

SECTION 2- DEFINITIONS

In this Agreement, including the Recitals and Schedules hereto:

(1) ***Action*** means the action filed in the Superior Court of Justice in London, Ontario styled *Rooney and Leach v ArcelorMittal S.A., et al*. (Court File No. 3957-11CP).

(2) ***Administration Expenses*** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable in relation to the notice, approval, implementation and administration of the Settlement, including the costs of publication and delivery of notices, fees, disbursements and taxes paid to the Administrator, which shall be paid from the Escrow Settlement Funds in accordance with Section 4.1. For greater certainty, Administration Expenses do not include Class Counsel Fees or the Funding Commission.

(3) ***Administrator*** means the third party professional firm and any employees of such firm, selected at arm's length by Class Counsel, and appointed by the Court to do any one or more of the following:

(a) facilitate dissemination of the First Notice;

(b) facilitate dissemination of the Second Notice;

(c) receive and review requests to opt out of the Class;

(d) receive and review claims and administer the Settlement Amount in accordance with the Distribution Protocol; and

(e) report to the Parties and the Court on the administration of the Settlement.

(4) ***Agreement*** means this settlement agreement.

(5) ***Approval Motion*** means a motion to be brought by the Plaintiffs in the Court for the Second Order and the Third Order.

(6) ***Authorized Claimant*** means any Class Member who has submitted a completed Claim Form which, pursuant to the terms of the Agreement and the Distribution Protocol, has been approved for compensation by the Administrator in accordance with the Distribution Protocol.

(7) ***Baffinland*** means the Defendant, Baffinland Iron Mines Corporation.

(8) ***BIM Securities*** means the Common Shares and the 2007 Warrants.

(9) ***Certification Order*** means the order of the Court dated May 18, 2018 certifying the Action as a class proceeding.

(10) ***Claim Form*** means the form to be approved by the Court which, when completed and submitted in a timely manner to the Administrator, using the online claim portal established by the Administrator or by submitting a paper form to the Administrator, constitutes a Class Member's claim for compensation pursuant to the Distribution Protocol.

(11) ***Class*** or ***Class Members*** means the class defined by paragraph 4 of the Certification Order (which, for the avoidance of doubt, excludes the "Excluded Persons" defined in paragraph 1(a) of the Certification Order), other than Opt Out Parties.

(12) ***Class Counsel*** or ***Siskinds*** means Siskinds LLP.

(13) ***Class Counsel Fees*** means the fees, disbursements, costs, interest thereon in accordance with the CPA s 33(7)(c) plus HST and other applicable taxes or charges of Class Counsel as approved by the Court.

(14) ***Collateral Agreement*** means the Collateral Agreement entered into by the Parties dated June 7, 2019.

(15) ***Common Shares*** means common shares of Baffinland.

(16) ***Court*** means the Ontario Superior Court of Justice.

(17) ***CPA*** means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended.

(18) ***Defendants*** means ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. Du Toit, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, L.P., NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings L.P., Jowdat Waheed, Bruce Walter, John T. Raymond, John Calvert, Baffinland, Richard D. McCloskey, John Lydall and Daniella Dimitrov.

(19) ***Distribution Protocol*** means the document attached as **Schedule "I"** stipulating the proposed distribution of the Net Settlement Amount or such other plan of distribution as may be approved by the Court.

(20) ***Effective Date*** means the first date on which the Second Order has become a Final Order.

(21) ***Eligible Securities*** means BIM Securities of which the sale, tender or disposition made a person a Class Member or, in the case of an Opt Out Party, BIM Securities of which the sale, tender or disposition would have made the person a Class Member if he, she or it had not excluded himself, herself or itself from the Class in accordance with the terms of the First Order and the First Notice.

(22) ***Escrow Account*** means an interest bearing trust account at a Canadian Schedule 1 bank in Ontario initially under the control of Siskinds, and following the Effective Date, it shall be transferred to the Administrator appointed pursuant to the First Order.

(23) ***Escrow Settlement Funds*** means the Settlement Amount plus any interest accruing thereon in the Escrow Account.

(24) ***Final Order*** means any order contemplated by this Agreement from which no appeal lies or in respect of which any right of appeal has expired without the initiation of proceedings in respect of that appeal such as the delivery of a notice of motion for leave to appeal or a notice of appeal.

(25) ***First Motion*** means a motion to be brought by the Plaintiffs in the Court for the First Order.

(26) ***First Notice*** means the short-form and long-form notices of certification of the Action, the opt out procedures and the pendency of the Approval Motion substantially in the forms attached as **Schedules "B" and "C"** hereto or as fixed by the Court.

(27) ***First Order*** means the Order substantially in the form attached as **Schedule "A"** hereto:

(a) appointing the Administrator;

(b) approving the Plan of Notice for the purpose of the publication and dissemination of the First Notice;

(c) prescribing opt out procedures; and

(d) fixing the date for the Approval Motion.

(28) ***Funder*** means Claims Funding Australia Pty Ltd.

(29) ***Funder's Security*** means the amounts paid into Court by the Funder as security for its obligations pursuant to the Funding Order.

(30) ***Funding Agreement*** means the agreement entered into in November 2012 between the Plaintiffs and the Funder for the provision of, among other things, an indemnity against adverse costs in exchange for the payment of the Funding Commission and subsequently approved pursuant to the Funding Order.

(31) ***Funding Commission*** means the amount to be paid to the Funder pursuant to the Funding Agreement.

(32) ***Funding Order*** means the order of the Court dated November 21, 2013 approving the Funding Agreement.

(33) ***Implementation Date*** means the first date on which both the Second Order and the Third Order have become Final Orders.

(34) ***Net Settlement Amount*** means the amount available in the Escrow Account for distribution pursuant to the Distribution Protocol after payment of all Class Counsel Fees and Administration Expenses and other amounts contemplated by SECTION 6(1)(a) to SECTION 6(1)(f) hereof.

(35) ***Offerors*** means ArcelorMittal S.A., 1843208 Ontario Inc., Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, L.P., NGP Midstream & Resources, L.P. and NGP M&R Offshore Holdings L.P.

(36) ***Opt Out Party*** means a person who would otherwise be a Class Member but who excludes themselves from the Class in accordance with the terms of the First Order and the First Notice.

(37) ***Opt Out Threshold*** means the number of Eligible Securities held by Opt Out Parties confidentially agreed upon by the Parties in the Collateral Agreement as giving rise to the Defendants' right to terminate the Agreement pursuant to section 8.1(2).

(38) ***Parties*** mean the Plaintiffs and the Defendants.

(39) ***Plaintiff*** or ***Plaintiffs*** means, as the context requires, Peter Rooney and/or Archie Leach.

(40) ***Plan of Notice*** means the plan for disseminating the First Notice and Second Notice to the Class substantially in the form attached as **Schedule "H"** hereto or as fixed by the Court.

(41) ***Released Claims*** (or Released Claim in the singular) means any and all claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, including assigned claims, whether known or unknown, discoverable or not discoverable, asserted or unasserted, regardless of the legal theory, existing now or arising in the future by any and all of the Plaintiffs or the Class Members (excluding, for the avoidance of doubt, Opt Out Parties), arising out of or relating in any way to the sale, disposition or tendering of Eligible Securities and any claims or allegations which were raised or could have been raised in the Action. Released Claims include all claims for rescission; damages, including, but not limited to, punitive, aggravated, statutory and other multiple damages or penalties of any kind; or remedies of whatever kind or character, known or unknown, that are now recognized by law or equity or that may be created and recognized in the future by statute, regulation, judicial decision, or in any other manner; injunctive and declaratory relief; economic or business losses or disgorgement of revenues or profits; costs or lawyers' fees; and prejudgment and post-judgment interest.

(42) ***Releasees*** means the Defendants and, as applicable, each of their respective direct and indirect subsidiaries, affiliates, and divisions, along with each of their respective current and former officers, directors, employees, trustees, representatives, lawyers, agents, insurers, and re-insurers; any and all predecessors, successors, and/or shareholders of the Defendants and each of

their direct and indirect subsidiaries, affiliates, and divisions; and each of the Defendants' respective heirs, executors, trustees, administrators and assigns.

(43) ***Releasors*** means the Plaintiffs, the Class Members (excluding, for the avoidance of doubt, Opt Out Parties), including any person having a legal and/or beneficial interest in the Eligible Securities sold, disposed of, or tendered by Class Members, and their respective heirs, executors, trustees, administrators, assigns, attorneys, representatives, partners and insurers and their predecessors, successors, heirs, executors, trustees, administrators and assignees.

(44) ***Second Notice*** means the short-form and long-form notices of the Second Order and the Third Order substantially in the forms attached as **Schedules "F" and "G"** hereto or as fixed by the Court.

(45) ***Second Order*** means the order substantially in the form attached as **Schedule "D"**:

(a) approving the Settlement;

(b) ordering the release and discharge of the Released Claims against the Releasees by the Releasors; and

(c) dismissing the Action as against the Defendants without costs and with prejudice on the Effective Date.

(46) ***Settlement*** means the settlement of the Action on the terms provided for in this Agreement.

(47) ***Settlement Amount*** means CAD$6,500,000, inclusive of Administration Expenses, Class Counsel Fees, the Funding Commission and any other costs, expenses or taxes otherwise related to the Action and the Settlement.

(48) ***Third Order*** means the order substantially in the form attached as **Schedule "E"**:

(a) approving the form of the Second Notice;

(b) approving the Plan of Notice for the purpose of the publication and dissemination of the Second Notice; and

(c) approving a Distribution Protocol.

(49) ***2007 Warrants*** means the share purchase warrants issued by Baffinland pursuant to a warrant indenture dated January 31, 2007 and previously listed for trading on the Toronto Stock Exchange under the ticker symbol "BIM.WT".

SECTION 3 – APPROVAL AND NOTICE PROCESS

3.1 Best Efforts

(1) The Parties shall use their best efforts to implement this Settlement, to secure the First Order and the Second Order and the prompt, complete and final dismissal of the Action.

(2) Until the Effective Date or the termination of this Agreement, whichever occurs first, the Parties agree to hold in abeyance all steps in the Action, other than the motions provided for in this Agreement and such other matters required to implement the terms of this Agreement.

3.2 First Motion and First Notice

(1) The Plaintiffs will, as soon as is reasonably practicable but, in any event by no later than June 13, 2019 (inclusive), bring the First Motion. The Defendants will consent to the issuance of the First Order.

(2) Following entry of the First Order, the Administrator shall cause the First Notice to be published and distributed in accordance with the Plan of Notice and

the direction of the Court. The costs of publishing and distributing the First Notice shall be paid from the Escrow Settlement Funds as and when incurred.

3.3 Approval Motion

(1) The Plaintiffs will thereafter bring the Approval Motion before the Court in accordance with the Court's directions. The Defendants will consent to the issuance of the Second Order.

(2) At the Approval Motion, Class Counsel shall propose for approval by the Court the Distribution Protocol or such other plan for distributing the Net Settlement Amount to the Class as Class Counsel may advise. The Distribution Protocol is the responsibility of Class Counsel and the Defendants have no involvement in its design. Accordingly, the approval of the Distribution Protocol shall be considered separately from the approval of the Settlement and is not a condition of the approval of the Settlement itself and the dismissal of the Action as against the Defendants without costs and with prejudice in accordance with the Second Order.

(3) The Defendants will take no position or make any submission to the Court concerning the Distribution Protocol, except as requested or required by the Court.

(4) The Defendants will not oppose the issuance of the Third Order.

(5) The Plaintiffs may make any amendments to the Distribution Protocol, the Third Order, the Second Notice or the Plan of Notice as it relates to the Second Notice requested or directed by the Court.

3.4 Second Notice

(1) Following the Implementation Date, the Administrator shall cause the Second Notice to be published and disseminated in accordance with the Plan of

Notice as approved by the Court. The costs of publishing the Second Notice shall be paid from the Escrow Settlement Funds as and when incurred.

SECTION 4 - SETTLEMENT BENEFITS

4.1 Payment of Settlement Amount

(1) The Defendants shall pay or cause to be paid the Settlement Amount to Siskinds LLP, in trust, in full and final settlement of the Action and the Released Claims within thirty (30) days of the execution of the Agreement. Siskinds shall hold the Settlement Amount in the Escrow Account.

(2) Siskinds may pay Administration Expenses as and when they are incurred from the Escrow Settlement Funds while in control of the Escrow Account.

(3) The Settlement Amount and other valuable consideration set forth in the Agreement shall be provided in full satisfaction of the Released Claims against the Releasees.

(4) Neither the Defendants nor the Defendants' insurers or re-insurers shall have any obligation to pay any further amount to the Plaintiffs, the Class Members or Class Counsel with respect to this Agreement, the Action or the Released Claims for any reason whatsoever, including any amount for damages, interest, legal fees (including Class Counsel Fees), disbursements, taxes of any kind, costs and expenses relating in any way to the Action, the Released Claims, the Settlement, and Administration Expenses.

(5) Siskinds shall account to the Defendants and the Administrator for all payments made from the Escrow Settlement Funds prior to the transfer of the Escrow Account to the Administrator. After the transfer of the Escrow Account to the Administrator, the Administrator shall provide an accounting to the Parties every three (3) months for all payments made from the Escrow Settlement Funds by the Administrator. In the event this Agreement is terminated, Siskinds

or the Administrator, whichever then has control of the Escrow Account, shall deliver an accounting to the Parties for all payments made from the Escrow Settlement Funds no later than ten (10) days after the termination.

(6) Neither Siskinds nor the Administrator shall pay out any of Escrow Settlement Funds except in accordance with this Agreement.

(7) Any dispute concerning the entitlement to or quantum of expenses incurred in the publication and dissemination of the First Notice or the Second Notice, or Administration Expenses paid by Siskinds or the Administrator subsequently, shall be dealt with by a motion to the Court on notice to the Parties.

4.2 Settlement Amount to be Held in Trust

(1) Prior to the Effective Date, Siskinds shall maintain the Escrow Account and hold the Escrow Settlement Funds in trust as provided for in this Agreement.

(2) Within ten (10) days of the Effective Date, Siskinds shall transfer control of the Escrow Account and the Escrow Settlement Funds therein to the Administrator, but before doing so Siskinds may deduct and retain from Escrow Settlement Funds the Class Counsel Fees approved by the Court.

(3) Upon the transfer of the Escrow Account to the Administrator, the Administrator shall maintain the Escrow Settlement Funds in the Escrow Account under the control of the Administrator and hold the Escrow Settlement Funds in trust as provided for in this Agreement.

4.3 Taxes on Interest

(1) Except as expressly provided herein, all interest earned on the Settlement Amount shall accrue to the benefit of the Class and shall become and remain part of the Escrow Settlement Funds in the Escrow Account.

(2) Subject to section 4.3(3), all taxes payable on any interest which accrues on or otherwise in relation to the Escrow Settlement Funds in the Escrow Account shall be the exclusive responsibility of the Class. The Administrator shall be responsible for fulfilling all tax reporting and payment requirements arising from the Escrow Settlement Funds in the Escrow Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the interest earned by the Escrow Settlement Funds shall be paid from the Escrow Account.

(3) The Defendants and their insurers shall have no responsibility to make any filings relating to the Escrow Settlement Funds, to pay tax on any income earned by the Escrow Settlement Funds, or to pay any taxes on the Escrow Settlement Funds, unless this Agreement is terminated, in which case any interest earned on the Escrow Settlement Funds in the Escrow Account shall be paid to the Defendants and the Defendants' insurers in accordance with and in proportion to their respective contributions to the Settlement Amount who, in such case, shall be responsible for the payment of any taxes on such interest not previously paid.

SECTION 5 - NO REVERSION

(1) Unless this Agreement is terminated as provided herein, the Defendants and the Defendants' insurers shall not be entitled to the repayment from the Plaintiffs of any portion of the Escrow Settlement Funds. In the event this Agreement is terminated, the Defendants and the Defendants' insurers shall be

entitled to the repayment only to the extent of and in accordance with the terms provided herein.

SECTION 6 - DISTRIBUTION OF THE SETTLEMENT AMOUNT

(1) On or after the Implementation Date, the Administrator shall distribute the remainder of the Escrow Settlement Funds in accordance with the following priorities:

(a) to pay Class Counsel Fees as awarded by the Court (unless the Class Counsel Fees have already been paid to Class Counsel in accordance with section 4.2(2));

(b) to pay any honorarium to the Plaintiffs as the Court may decide to award;

(c) to pay the Funding Commission to the Funder;

(d) to pay all of the costs and expenses reasonably and actually incurred in connection with the provision of the Second Notice;

(e) to pay all of the Administration Expenses. For greater certainty, the Defendants and the Class are specifically excluded from eligibility for any payment of costs and expenses under this subsection;

(f) to pay any taxes required by law to be paid to any governmental authority;

(g) to pay a *pro rata* share of the balance of the Escrow Settlement Funds to each Authorized Claimant in proportion to his, her or its claim as recognized in accordance with the Distribution Protocol; and

(h) as directed by the Court, on the recommendation of Class Counsel, in the event that there shall remain thereafter Escrow Settlement Funds that are insufficient to allocate to each Authorized Claimant in accordance with the Distribution Protocol.

SECTION 7 - EFFECT OF SETTLEMENT

7.1 No Admission of Liability

(1) Whether or not this Agreement is terminated, this Agreement, anything contained in it, any and all negotiations, discussions, and communications associated with this Agreement, shall not be deemed, construed or interpreted as a concession or admission of wrongdoing or liability by the Releasees, or as a concession or admission by the Releasees of the truthfulness of any claim or allegation asserted in this Action. Neither this Agreement nor anything contained herein shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any disclosure document or oral statement at issue in the Action.

7.2 Agreement Not Evidence

(1) The Parties agree that, whether or not it is terminated, unless otherwise agreed, this Agreement and anything contained herein, any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any action taken to implement this Agreement, shall not be referred to, offered as evidence or received as evidence or interpreted in this Action or in any other current or future civil, criminal, quasi-criminal, administrative action, disciplinary investigation or other proceeding as any presumption, concession or admission:

(a) of the validity of any claim that has been or could have been asserted in the Action by the Plaintiffs against the Defendants, or

the deficiency of any defence that has been or could have been asserted in the Action;

(b) of wrongdoing, fault, neglect or liability by the Defendants; and

(c) that the consideration to be given hereunder represents the amount that could be or would have been recovered in the Action after trial.

(2) Notwithstanding section 7.2(1), this Agreement may be referred to or offered as evidence in order to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, to defend against the assertion of Released Claims, in any coverage litigation or proceeding, between or among the Defendants and their insurers, or as otherwise required by law.

7.3 Restrictions on Further Litigation

(1) Upon the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity or other claims over for relief from any Releasee in respect of any Released Claim.

SECTION 8 - TERMINATION OF THE AGREEMENT

8.1 General

(1) This Agreement shall automatically terminate if:

(a) on the return of the Approval Motion, the Court issues an order that is not substantially in the form of the Second Order, and such order becomes a Final Order; or

(b) the Second Order is reversed on appeal and the reversal becomes a Final Order.

(2) The Defendants shall have the right to terminate this Agreement within 14 days, or on a later date on the consent of the Parties, of being notified by the Administrator that the number of Eligible Securities of Opt Out Parties exceeds the Opt Out Threshold. The Administrator shall notify the Defendants of the number of Eligible Securities of Opt Out Parties and such particulars provided by such Opt Out Parties in support of their request to exclude themselves from the Class in accordance with the terms of the First Order and the First Notice.

(3) The right to terminate this Agreement contemplated by section 8.1(2) may be exercised by any one or more of the Defendants notifying Siskinds in writing of his, her or their intention to terminate the Agreement, which notification shall have the effect of terminating this Agreement for all Defendants.

(4) The Opt Out Threshold shall be stated in the Collateral Agreement executed contemporaneously with the execution of this Agreement. The Opt Out Threshold shall be redacted in the Collateral Agreement that is filed with the Court or otherwise made available to the public. The Collateral Agreement, without redaction of the Opt Out Threshold, shall not be published and shall be kept confidential by the parties unless the Court orders its publication or disclosure.

(5) In the event this Agreement is terminated in accordance with its terms:

(a) the Parties will be restored to their respective positions in the Action prior to the execution of this Agreement;

(b) any Second Order or Third Order which has been granted will be null and void and set aside on the consent of the Parties;

(c) subject to a cap of CAD$250,000.00 (inclusive of tax), Administration Expenses reasonably incurred and paid out of the Escrow Settlement Funds are non-recoverable from the Plaintiffs, the Class Members, the Administrator or Class Counsel;

(d) other than amounts properly incurred subject to a cap of CAD$250,000.00 (inclusive of tax), for Administration Expenses, the Escrow Settlement Funds will be returned to the Defendants and the Defendants' insurers in proportion to their respective contributions to the Settlement Amount pursuant to a direction to be jointly given by the Defendants;

(e) this Agreement shall be null and void and have no further force and effect and no effect on the rights of the Parties except as specifically provided for herein; and

(f) this Agreement will not be introduced into evidence or otherwise referred to in any litigation against the Defendants.

(6) Notwithstanding the provisions of section 8.1(5)(e), if this Agreement is terminated, the provisions of this SECTION 8 and SECTION 1, SECTION 2, section 4.1(4), section 4.1(5), section 4.1(6), section 4.1(7), section 4.3(2), section 4.3(3), SECTION 5(1), section 7.1, section 7.2 and SECTION 13 shall survive termination and shall continue in full force and effect.

8.2 Allocation of the Escrow Settlement Funds in the Escrow Account Following Termination

(1) In the event this Agreement is terminated, Siskinds or the Administrator, whichever then has control of the Escrow Account, shall deliver an accounting to the Plaintiffs and the Defendants no later than ten (10) days after the termination.

(2) Within fourteen (14) days of the termination of the Agreement, on notice, one or more of the Parties may make a motion to the Court for orders giving directions as to whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice including who should pay for such notice.

(3) Subject to section 8.2(4), thirty (30) days after the termination of the Agreement, Siskinds or the Administrator, whichever then has control of the Escrow Account, shall make the payment to the Defendants and the Defendants' insurers as provided in section 8.1(5)(d).

(4) If a motion is made pursuant to section 8.2(2) in which one or more of the Parties seeks an order requiring the Defendants to pay for notice of termination to Class Members, pending hearing and final determination of the motion, Siskinds or the Administrator, whichever then has control of the Escrow Account, shall retain in the Escrow Account and not pay out to the Defendants and the Defendants' insurers such amount that may be reasonably required for the dissemination of notice to the Class, if any, under section 8.2(2) in the event that the Court orders that the Defendants are required to pay for such notice. Any amount retained in the Escrow Account further to this section 8.2(4), including accrued interest, shall be paid to the Defendants and Defendants' insurers in proportion to their respective contributions to the Settlement Amount upon a final determination that the Defendants are not required to pay for the dissemination of notice of termination to Class Members.

8.3 Disputes Relating to Termination

(1) If there is any dispute about the termination of this Agreement, the Court shall determine any dispute by motion made by a Party on notice to the other Parties.

8.4 No Right to Terminate

(1) For greater certainty, no dispute or disagreement among the Plaintiffs and/or members of the Class or any of them about the proposed distribution of the Settlement Amount or the Distribution Protocol shall give rise to a right to terminate this Agreement.

SECTION 9 - DETERMINATION THAT THE SETTLEMENT IS FINAL

(1) The Settlement shall be considered final on the Effective Date.

SECTION 10 - RELEASES AND JURISDICTION OF THE COURT

10.1 Release of Releasees

(1) As of the Effective Date, and in consideration of payment of the Settlement Amount and for other valuable consideration set forth in this Agreement, the Releasors forever and absolutely release, waive and discharge the Releasees from the Released Claims that any of them, whether directly, indirectly, or in any other capacity ever had, now have or hereafter can, shall or may have.

(2) The Releasors acknowledge that they may hereafter discover facts in addition to or different from those facts which they know or believe to be true with respect to the Action and the subject matter of this Agreement, and that it is their intention to release fully, finally and forever all Released Claims, and in furtherance of such intention, this release shall be and remain in effect notwithstanding the discovery or existence of any such additional or different facts.

10.2 No Further Claims

(1) As of the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, on their own behalf or on behalf of any class or any other person, any action, suit,

cause of action, claim or demand against any of the Releasees or any other person who may claim contribution or indemnity from any of the Releasees in respect of any Released Claim.

10.3 Dismissal of the Action

(1) As of the Effective Date, the Action shall be dismissed as against the Defendants with prejudice and without costs.

10.4 Release of the Funder's Security

(1) On the Effective Date, the Parties shall cooperate in taking all reasonably required steps to secure the prompt payment out of Court to the Funder of the Funder's Security.

SECTION 11 - ADMINISTRATION

11.1 Appointment of the Administrator

(1) By order of the Court, the Administrator will be appointed to serve until such time as the Escrow Settlement Funds are distributed in accordance with this Agreement and/or the Distribution Protocol, on the terms and conditions and with the powers, rights, duties and responsibilities set out in this Agreement and/or in the Distribution Protocol.

11.2 Information and Assistance from the Defendants

(1) Baffinland shall, forthwith upon entry of the First Order, deliver or cause to be delivered to the Administrator an electronic list of all persons identified in the records of its transfer agent as non-objecting beneficial owners of BIM Securities who were likely mailed notices relating to the joint offer by the Offerors, or otherwise who acquired BIM Securities between January 14, 2011 and February 17, 2011, along with such information as may be available to facilitate the delivery of notice to those persons. The reasonable fees and expenses required to be paid to Baffinland's transfer agent so as to accomplish

this shall be paid as an Administration Expense from the Escrow Settlement Funds.

(2) The Administrator may use the information obtained under section 11.2(1) for the purpose of delivering the First Notice and Second Notice and for the purposes of administering and implementing this Agreement, the Plan of Notice and the Distribution Protocol, but the Administrator shall otherwise keep confidential the information obtained under section 11.2(1).

(3) For greater certainty, any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of distributing notices and the administration of this Agreement and the Distribution Protocol.

SECTION 12 – OTHER MOTIONS

12.1 Motion for Approval of Class Counsel Fees

(1) Immediately following the Approval Motion, Class Counsel may seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for expenses incurred as a result of implementing the terms of the Agreement.

(2) The Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested and required by a Court.

(3) The procedure for and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein, except as expressly provided in

SECTION 6, and are to be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement provided for herein.

(4) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Second Order and the Settlement of this Action provided herein.

12.2 Motions Relating to the Funding Commission and Honorariums

(1) Immediately following the Approval Motion, Class Counsel may seek orders from the Court relating to the payment of the Funding Commission or the payment of an honorarium to the Plaintiffs.

(2) Class Counsel are not precluded from making additional motions to the Court relating to the payment of the Funding Commission or the payment of an honorarium to the Plaintiffs.

(3) The Defendants acknowledge that they are not parties to any motion concerning the payment of the Funding Commission or the payment of an honorarium to the Plaintiffs, they will have no involvement in any such motion, and they will not take any position or make any submissions to the Court concerning any such motion, except as requested and required by a Court.

(4) Any order or proceeding relating to payment of the Funding Commission or the payment of an honorarium to the Plaintiffs, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Second Order and the Settlement of this Action provided herein.

SECTION 13 - MISCELLANEOUS

13.1 Motions for Directions

(1) Any one or more of the Parties, Class Counsel, or the Administrator may apply to the Court for directions in respect of any matter in relation to this Agreement and the Distribution Protocol.

(2) All motions contemplated by this Agreement shall be on notice to the Parties.

13.2 Defendants Have No Responsibility or Liability for Administration

(1) Except for the obligations in respect of the performance of the obligations under sections 4.1(1) and 11.2(1), the Defendants and their insurers shall have no responsibility for and no liability whatsoever with respect to the administration or implementation of this Agreement and the Distribution Protocol, including, without limitation, the processing and payment of claims by the Administrator.

13.3 Headings, etc.

(1) In this Agreement:

(a) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(b) the terms "the Agreement", "this Agreement", "herein", "hereto" and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement;

(c) all amounts referred to are in lawful money of Canada; and

(d) "person" means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited

partnerships, limited liability partnerships or limited liability companies, by whatever name in the jurisdiction in which the person is domiciled.

(2) In the computation of time in this Agreement, except where a contrary intention appears:

(a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and

(b) only in the case where the time for doing an act expires on a statutory holiday recognized in the Province of Ontario, the act may be done on the next day that is not such a holiday.

13.4 Governing Law

(1) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.

(2) The Parties agree that the Court shall retain exclusive and continuing jurisdiction over the Action, the Parties and the members of the Class to interpret and enforce the terms, conditions and obligations under this Agreement and the Second Order and the Third Order.

13.5 Entire Agreement

(1) This Agreement and the Collateral Agreement constitute the entire agreement among the Parties and supersede all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations,

conditions or representations with respect to the subject matter of this Agreement and the Collateral Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment which is material to the substance of the Settlement is subject to the approval of the Court.

13.6 Binding Effect

(1) If the Settlement is approved by the Court and becomes final as contemplated in SECTION 9(1), this Agreement shall be binding upon and enure to the benefit of the Plaintiffs, the Class Members, the Defendants, Class Counsel, the Releasees and the Releasors, the insurers, or any of them, and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

(2) For greater certainty, no Opt Out Party shall be bound by this Agreement.

13.7 Survival

(1) The representations and warranties contained in this Agreement shall survive its execution and implementation.

13.8 Negotiated Agreement

(1) This Agreement and the Settlement have been the subject of arm's length negotiations between the Parties through their representatives and on the advice of counsel. Each of the Parties has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement shall have no force and effect. The Parties further agree that the

language contained in or not contained in previous drafts of the Agreement shall have no bearing upon the proper interpretation of this Agreement.

(2) The Parties acknowledge that they have required and consented that this Agreement and all related documents be prepared in English; les parties reconnaissent avoir demandé que le présent règlement et tous les documents connexes soient rédigés en anglais. Nevertheless, if required by the Court, Class Counsel and/or a translation firm selected by Class Counsel shall prepare a French translation of the Agreement, the cost of which shall be paid from the Settlement Amount as an Administration Expense. In the event of any dispute as to the interpretation or application of this Agreement, only the English version shall govern.

13.9 Recitals

(1) The recitals to this Agreement are true, constitute material and integral parts hereof and are fully incorporated into and form part of this Agreement.

13.10 Schedules

(1) The schedules annexed hereto form part of this Agreement.

13.11 Acknowledgements

(1) Each Party hereby affirms and acknowledges that:

(a) its signatory has the authority to bind the Party for which it is signing with respect to the matters set forth herein and has reviewed this Agreement;

(b) the terms of this Agreement and the effects thereof have been fully explained to it by counsel;

(c) he, she or its representative fully understands each term of this Agreement and its effect; and

(d) no Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party beyond the terms of the Agreement, with respect to the Party's decision to execute this Agreement.

13.12 Counterparts

(1) This Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a signature delivered by email or facsimile shall be deemed an original signature for purposes of executing this Agreement.

13.13 Notice

(1) Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any party to any other party shall be in writing and delivered personally, by facsimile or e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid:

For the Plaintiffs:

Michael G. Robb
Siskinds LLP

Telephone: (519) 660-7872
Facsimile: (519) 660-7873
Email: michael.robb@siskinds.com

For the Defendants, ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. du Toit and Baffinland Iron Mines Corporation:

Steve Tenai
Aird & Berlis LLP

Telephone: (416) 865-4620
Facsimile: (416) 863-1515
Email: stenai@airdberlis.com

For the Defendants, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert:

Andrea Burke
Davies Ward Phillips & Vineberg LLP

Telephone: (416) 863-0900
Facsimile: (416) 863-0871
Email: aburke@dwpv.com

For the Defendants, Richard D. McCloskey, John Lydall and Daniella Dimitrov:

Alex Rose
Stikeman Elliott LLP

Telephone: (416) 869-5261
Facsimile: (416) 947-0866
Email: arose@stikeman.com

13.14 Date of Execution

(1) The Parties have executed this Agreement as of the date on the cover page.

For the Plaintiffs:

Per: _____
Name: Michael Robb
Title: Siskinds LLP, Partner

For the Defendants, ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. du Toit and Baffinland Iron Mines Corporation:

Per: _____
Name:
Title:

For the Defendants, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert:

Per: _____
Name:
Title:

For the Defendants, Richard D. McCloskey, John Lydall and Daniella Dimitrov:

Per: _____
Name:
Title:

13.14 Date of Execution

(1) The Parties have executed this Agreement as of the date on the cover page.

For the Plaintiffs:

Per: _____
Name:
Title:

For the Defendants, ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. du Toit and Baffinland Iron Mines Corporation:

Per: _____
Name:
Title:

For the Defendants, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert:

Per: _____ for Andrea Burke, DWPV
Name:
Title:

For the Defendants, Richard D. McCloskey, John Lydall and Daniella Dimitrov:

Per: _____
Name:
Title:

13.14 Date of Execution

(1) The Parties have executed this Agreement as of the date on the cover page.

For the Plaintiffs:

Per: _____
Name:
Title:

For the Defendants, ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. du Toit and Baffinland Iron Mines Corporation:

Per: _____
Name:
Title:

For the Defendants, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert:

Per: _____
Name:
Title:

For the Defendants, Richard D. McCloskey, John Lydall and Daniella Dimitrov:

Per: _____
Name: ALEXANDER ROSÉ
Title: PARTNER, STIKEMAN ELLIOTT LLP

13.14 Date of Execution

(1) The Parties have executed this Agreement as of the date on the cover page.

For the Plaintiffs:

Per: _____
Name:
Title:

For the Defendants, ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Phillipus F. du Toit and Baffinland Iron Mines Corporation:

Per: _____
Name: STEVE TENAI
Title: PARTNER, AIRD & BERLIS LLP

For the Defendants, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert:

Per: _____
Name:
Title:

For the Defendants, Richard D. McCloskey, John Lydall and Daniella Dimitrov:

Per: _____
Name:
Title:

Schedule A

Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	_____, THE _____
	)	
JUSTICE H. A. RADY	)	DAY OF _____, 2019

BETWEEN:

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and –

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiffs for, *inter alia*, an Order fixing the date of a settlement approval motion, appointing an administrator, approving the form, content and method of dissemination of a notice of certification and settlement approval hearing, approving the claim form, and prescribing opt out procedures, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the materials filed, including the Settlement Agreement dated ●, 2019 attached hereto as **Schedule "1"** ("**Settlement Agreement**"), and on hearing the submissions of Counsel for the Plaintiffs and Counsel for the Defendants.

ON BEING ADVISED that the Defendants consent to this Order.

1. **THIS COURT DECLARES** that, except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.

2. **THIS COURT ORDERS** that the hearing of the Plaintiffs' motion to approve the Settlement and the hearing of the Plaintiffs' motion for approval of Class Counsel Fees shall take place on ●, 2019.

3. **THIS COURT ORDERS** that the form and content of the short-form First Notice, substantially in the form attached hereto as **Schedule "2"**, is hereby approved.

4. **THIS COURT ORDERS** that the form and content of the long-form First Notice, substantially in the form attached hereto as **Schedule "3"**, is hereby approved.

5. **THIS COURT ORDERS** that the Plan of Notice, substantially in the form attached hereto as **Schedule "4"**, is hereby approved for the purpose of the publication and dissemination of the First Notice and the Claim Form.

6. **THIS COURT ORDERS** that the form and content of the Claim Form, substantially in the form attached hereto as **Schedule "5"**, is hereby approved.

7. **THIS COURT ORDERS** that ● is hereby appointed as the Administrator pursuant to the Settlement Agreement.

8. **THIS COURT ORDERS** that in order to be entitled to participate in a distribution from the Net Settlement Amount, a Class Member must:

   (a) submit a properly completed Claim Form to the Administrator, using the online claim portal established by the Administrator or by submitting a paper Claim Form by mail or courier to the Administrator, received by the Administrator on or

before 11:59pm Toronto (Eastern) time on the date that is one hundred and eighty (180) calendar days after the date on which the First Notice is first published ("**Claims Bar Deadline**");

(b) submit, together with the Claim Form, any supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Administrator; and

(c) otherwise comply with the instructions set out in the Claim Form.

9. **THIS COURT ORDERS** that any Class Member who wishes to validly exclude him, her or itself from the Action must do so by submitting to the Administrator by mail, courier or email a written opt out election ("**Opt Out Election**") to be received by the Administrator on or before 5:00pm Toronto (Eastern) time on the date that is 45 calendar days after the date on which the First Notice is first published ("**Opt Out Deadline**").

10. **THIS COURT ORDERS** that an Opt Out Election:

(a) must contain a statement of intention to opt out of the Action by the Class Member or a person authorized to bind the Class Member;

(b) must state the number of Common Shares and the number of 2007 Warrants held by the Class Member at the close of trading on the Toronto Stock Exchange on September 21, 2010;

(c) must contain a listing of all transactions on and after September 22, 2010 by which the Class Member purchased, acquired, sold or tendered BIM Securities,

which must show, for each transaction, the type of BIM Security (Common Shares or 2007 Warrants), the number of BIM Securities and the date of the transaction;

(d) must be supported by documents to evidence such transactions, in the form of trade confirmations, brokerage statements or other transaction records allowing the Administrator to verify the transactions;

(e) must contain the name, address, telephone number and email address of the Class Member; and

(f) may, at the option of the Class Member, contain a statement of the Class Member's reason for opting out.

11. **THIS COURT ORDERS** that any Class Member who delivers a valid Opt Out Election, in accordance with paragraphs 9 and 10 of this Order, may revoke that Opt Out Election by submitting to the Administrator by mail, courier or email a written statement that he, she or it wishes to revoke the Opt Out Election, which must be received by the Administrator on or before 5:00pm Toronto (Eastern) time on the date that is five (5) calendar days after the Opt Out Deadline ("**Opt Out Revocation Deadline**").

12. **THIS COURT ORDERS** that an Opt Out Election that is revoked in accordance with paragraph 11 of this Order shall be null and void and have no force or effect, and the Class Member who submitted the Opt Out Election shall not be considered an Opt Out Party.

13. **THIS COURT ORDERS** that the Administrator shall, immediately upon receipt by it, provide to Class Counsel copies of any Opt Out Elections received on or before the Opt Out Deadline.

14. **THIS COURT ORDERS** that, at any time up to the Opt Out Revocation Deadline, Class Counsel may contact any Class Member who has submitted an Opt Out Election to confirm that they wish to exclude him, her or itself from the Action, and to explain to him, her or it the significance of the Opt Out Election.

15. **THIS COURT ORDERS** that, by no later than the date that is seven (7) calendar days after the Opt Out Deadline, the Administrator shall:

    (a) report to the lawyers for the Parties the number of Eligible Securities of each Opt Out Party and the total number of Eligible Securities of all Opt Out Parties; and

    (b) provide to the lawyers for the Parties copies of the Opt Out Elections submitted by Opt Out Parties.

16. **THIS COURT ORDERS** that any person who would otherwise be a Class Member who validly excludes him, her or itself from the Action, in accordance with paragraphs 9 and 10 of this Order, and who has not revoked his, her or its Opt Out Election in accordance with paragraph 11 of this Order, is not bound by the Settlement Agreement and shall no longer participate or have the opportunity in the future to participate in the Action and the Settlement.

17. **THIS COURT ORDERS** that any person who is a member of the Class and who does not validly exclude him, her or itself from the Action in accordance with paragraphs 9 and 10 of this Order, or who revokes an Opt Out Election in accordance with

paragraph 11 of this Order, will be bound by the Settlement Agreement, including the releases contained therein, if and when it becomes effective, and may not exclude him, her or itself from the Action in the future, whether or not a claim to participate in the distribution of the Settlement Amount is submitted by that person.

18. **THIS COURT ORDERS** that Class Members who wish to file with the Court an objection or comment on the Settlement, the Distribution Protocol or the request for approval of Class Counsel Fees shall deliver to Class Counsel by mail, courier or email a written statement by no later than 14 days prior to the Approval Motion.

19. **THIS COURT ORDERS** that Baffinland shall forthwith deliver or cause to be delivered to the Administrator the information required under section 11.2(1) of the Settlement Agreement.

_____

THE HONOURABLE JUSTICE H.A. RADY

Rooney & Leach Plaintiffs	v	ArcelorMittal S.A., *et al.* Defendants	Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

ORDER

Siskinds LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSO#: 45787G)
Tel: 519-660-7872
Fax: 519-660-7873

302-100 Lombard Street
Toronto, ON M5C 1M3

Anthony O'Brien (LSO#: 56129U)
Tel: 416-594-4394
Fax: 519-672-6065

Lawyers for the Plaintiffs

Schedule B

Did you tender securities of Baffinland Iron Mines Corporation ("Baffinland") to the take-over bid or otherwise dispose of Baffinland securities on or after January 14, 2011?

A settlement has been reached in the certified class action against Baffinland and other defendants. The class action alleges misrepresentations, oppression and other causes of action in connection with the take-over bid made by certain of the defendants to acquire Baffinland securities that concluded in February 2011 and Baffinland's January 13, 2011 news release concerning the results of the feasibility study on the road haulage option for its Mary River Project.

The settlement provides for the payment by the defendants of the total amount of CAD$6,500,000 to resolve those claims. The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by Baffinland or any of the other defendants.

The settlement must be approved by the Ontario Court. A settlement approval hearing has been set for ●, 2019 in London, Ontario. At the hearing, the Court will also address a motion to approve Class Counsel's fees, which will not exceed ●% of the recovery plus reimbursement for expenses incurred in the litigation.

The Court has appointed ● as the Administrator of the settlement. To be eligible for compensation, Class Members must submit a completed Claim Form to the Administrator by no later than ●. If the settlement is approved, and if you do not file a claim by this deadline, you may not be able to claim a portion of the settlement and your claim will be extinguished.

You must opt out by ● if you do not want to be part of the class action and be bound by the terms of the settlement. Class Members may also express their views about the proposed settlement to the Court. If you wish to express your views, you must do so in writing by ●.

For more information about the certification of the class action, who qualifies as a class member, the settlement, how to make a claim for compensation from the settlement, and your rights to opt out of the class and the settlement or object to the settlement, see the long-form notice available online at ● or call toll-free: ●.

Schedule C

BAFFINLAND IRON MINES CORPORATION SECURITIES CLASS ACTION

NOTICES OF CERTIFICATION AND OF SETTLEMENT APPROVAL HEARING

Read this notice carefully as it may affect your legal rights.
You may need to take prompt action.

This notice is directed to: All persons, other than Excluded Persons (as defined below) and those who validly opt out of the class action (in accordance with the instructions below), who: (i) tendered for sale BIM Securities* to take-over bids by ArcelorMittal S.A., Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, L.P., NPG Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P. and/or 1843208 Ontario Inc. (collectively, "**Offerors**") and whose BIM Securities* were taken up by the Offerors; or (ii) otherwise disposed of BIM Securities* on or after January 14, 2011 ("**Class Members**").

* "BIM Securities" means the common shares of Baffinland Iron Mines Corporation ("**Baffinland**") and the share purchase warrants issued by Baffinland pursuant to a warrant indenture dated January 31, 2007 and previously listed for trading on the Toronto Stock Exchange under the ticker symbol "BIM.WT".

Important Deadlines

Claims Bar Deadline (to file a claim for compensation):	11:59pm Toronto (Eastern) time on ●
Opt Out Deadline (to exclude yourself from the class action and the settlement):	5:00pm Toronto (Eastern) time on ●

Claims Forms may not be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.

Purpose of this Notice

The class action brought on behalf of Class Members has been certified. It has also been settled, subject to court approval. This notice provides Class Members with information about the certification, who qualifies as a Class Member, the right to opt out of the class action, the settlement and their rights to participate in the court proceedings considering whether to approve the settlement.

The notice also provides Class Members with information about how to apply for compensation from the settlement. **Class Members who wish to do so must do so by 11:59pm Toronto (Eastern) time on ●.**

The Action and Class Certification

In 2011, a class proceeding ("**Action**") was commenced in the Ontario Superior Court of Justice ("**Ontario Court**") against the Offerors, Baffinland, Lakshmi N. Mittal, Aditya Mittal, Phillipus F. Du Toit, Jowdat Waheed, Bruce Walter, John T. Raymond, John Calvert, Richard D. McCloskey, John Lydall and Daniella Dimitrov (collectively, "**Defendants**").

The Action concerns the take-over bid made by the Offerors to acquire all of the BIM Securities, which ultimately concluded in February 2011 ("**Joint Bid**"). The Action alleges that disclosure documents issued leading up to and in connection with the Joint Bid contained misrepresentations and that certain of the Defendants engaged in conduct that oppressed the Class Members. It also includes allegations of misrepresentation in Baffinland's January 13, 2011 news release announcing the results of a feasibility study into a road haulage option for its Mary River Project. It is alleged that the Class Members were damaged by the conduct of the Defendants.

On May 18, 2018, the Ontario Court certified the Action as a class action on behalf of the following class:

> All persons, other than Excluded Persons, who:
>
> (i) tendered for sale BIM Securities to take-over bids by the Offerors and whose BIM Securities were taken up by the Offerors; or
>
> (ii) otherwise disposed of BIM Securities on or after January 14, 2011.

"Excluded Persons" means (1) the Defendants, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns; (2) any member of the families of the individual Defendants; (3) the following individuals or entities, each of which directly or indirectly entered into a lock-up agreement pursuant to which BIM Securities were tendered to the Joint Bid: Resource Capital Fund IV L.P.; Resource Capital Fund III L.P.; RCF Management LLC; John Lydall; Walmley Investments Ltd; Gordon Watts; Michael T. Zurowski; Richard Matthews; Richard D. McCloskey; Gregory G. Missal; Ronald S. Simkus; Daniella E. Dimitrov; Grant Edey; Wide Range Mining Projects Pty Ltd, as trustee for the G&K Fietz Family Trust; Gwen M. Gareau; and Russell L Cranswick; and (4) those persons whose BIM Securities were transferred to 1843208 Ontario Inc. pursuant to the Plan of Arrangement completed on March 25, 2011, including (without limitation) the dissenting shareholders identified in Schedule "A" of the Notice of Application filed on May 17, 2011 in the dissent and appraisal proceeding commenced by 1843208 Ontario Inc. in Superior Court of Justice, Toronto Region (Commercial List), Court File No. CV-11-9222-00CL; however, such exclusion taking effect only to the extent of the BIM Securities transferred by those persons to 1843208 Ontario Inc. pursuant to the Plan of Arrangement.

The Settlement

On ●, 2019, the Plaintiffs and the Defendants executed a Settlement Agreement providing for the settlement of the Action ("**Settlement**"), which is subject to approval by the Ontario Court. The Settlement Agreement provides for the payment of CAD$6,500,000.00 ("**Settlement Amount**") in consideration of the full and final settlement of the claims of Class Members. The Settlement Amount includes all legal fees, disbursements, taxes and administration expenses.

The Settlement provides that if it is approved by the Ontario Court, the claims of all Class Members asserted or which could have been asserted in the Action will be fully and finally released, and the Action will be dismissed. The Settlement is not an admission of liability, wrongdoing or fault on the part of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

Participating in the Settlement or Excluding Yourself ("Opting Out") from the Class Action and the Settlement

If you are a Class Member, you will be bound by the outcome of the Action, including the terms of the Settlement if approved, unless you opt out of the Action. Class Members who do not opt out will (i) be entitled to participate in the Settlement; (ii) be bound by the terms of the Settlement; and (iii) not be permitted to bring other legal proceedings in relation to the matters alleged in the Action against the Defendants, or any person released by the approved Settlement. Conversely, if you are a Class Member who opts out of the Action (an "**Opt Out Party**"), you will not be able to make a claim to receive compensation from the Settlement Amount but will maintain the right to pursue your own claim against the Defendants relating to the matters alleged in the Action.

If you are a Class Member and wish to opt out, you must submit a written election to do so, together with required supporting documentation ("**Opt Out Election**"), to ●.

To be valid, an Opt Out Election: (a) must contain a statement of intention to opt out of the Action by you or a person authorized to bind you; (b) must state the number of Common Shares and the number of 2007 Warrants held by you at the close of trading on the Toronto Stock Exchange on September 21, 2010; (c) must contain a listing of all transactions on and after September 22, 2010 by which you purchased, acquired, sold or tendered BIM Securities, which must show, for each transaction, the type of BIM Security (Common Shares or 2007 Warrants), the number of BIM Securities and the date of the transaction; (d) must be supported by documents to evidence such transactions, in the form of trade confirmations, brokerage statements or other transaction records acceptable to ●; (e) must contain your name, address, telephone number and email address; and (f) may, at your option, contain a statement of your reason for opting out.

● must receive your Opt Out Election by no later **5:00pm Toronto (Eastern) time on** ● ("**Opt Out Deadline**").

Opt Out Elections may be sent electronically or by mail or courier to:

●

An Opt-Out Election that does not contain all of the required information or is received after the Opt Out Deadline will not be valid, which means that you will be bound by the outcome of the Action, including the Settlement, if it is approved.

You may revoke an Opt Out Election by delivering to ● by mail, courier or email a written statement that you wish to revoke the Opt Out Election, which must be received on or before 5:00pm Toronto (Eastern) time on ●.

Settlement Approval Hearing

The Settlement is conditional on approval by the Ontario Court. The Settlement will be approved if the Ontario Court determines that it is fair and reasonable and in the best interests of Class Members to approve it.

The Ontario Court will hear a motion for approval of the Settlement on ● at ● at the courthouse located at 80 Dundas Street, London, Ontario.

Release of Claims and Effect on Other Proceedings

If the Settlement Agreement is approved by the Ontario Court, the claims and allegations of Class Members which were asserted or which could have been asserted in the Action will be released ("**Released Claims**"), and the Action will be dismissed. Class Members will not be able to pursue any action in relation to the Released Claims regardless of whether or not they file a claim for compensation from the Settlement. **If approved, the Settlement will therefore represent the only means of compensation available to Class Members in respect of the Released Claims.**

Approval of Class Counsel Fees and Other Expenses

In addition to seeking the Ontario Court's approval of the Settlement Agreement, Class Counsel will seek the Court's approval of legal fees not to exceed ●% of the Settlement Amount ("**Class Counsel Fees**"), plus disbursements not exceeding CAD$● and applicable taxes. This fee request is consistent with the retainer agreements entered into between Class Counsel and the Plaintiffs at the beginning of the litigation. As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation.

Class Counsel will also seek the Ontario Court's approval for the payment of an honorarium to the Plaintiffs. Class Counsel will be requesting that the honorarium be deducted directly from the Settlement Amount.

The approval of the Settlement is not contingent on the approval of the Class Counsel Fees requested or an honorarium to the Plaintiffs. The Settlement may still be approved even if the requested Class Counsel Fees or the Plaintiffs' honorarium are not approved.

The Plaintiffs entered into a litigation funding agreement with Claims Funding Australia Pty Ltd ("**CFA**"). Pursuant to that agreement, CFA agreed to pay any adverse cost awards against the Plaintiffs, and to pay CAD$50,000 towards disbursements. In return, CFA is entitled to receive from the Settlement Amount reimbursement of disbursements paid and 7% of the amounts distributed to the Class Members after the deduction of Class Counsel Fees and Administration Expenses ("**Funding Expenses**"). The litigation funding agreement with CFA was approved by the Ontario Court on November 21, 2013. Amounts owing to CFA will be deducted from the amounts to be distributed to the Class Members before the actual distribution.

The fees of the Administrator, together with any other costs relating to approval, notification, implementation and administration of the settlement ("**Administration Expenses**"), will also be paid from the Settlement Amount.

Class Members' Entitlement to Compensation

Class Members will be eligible for compensation pursuant to the Settlement if they submit a completed Claim Form, including any supporting documentation, with the Administrator, and their claim satisfies the criteria set out in the Distribution Protocol.

To be eligible for compensation under the Settlement, Class Members must submit their Claim Form **no later than 11:59pm Toronto (Eastern) time on ●** ("**Claims Bar Deadline**"). Only Class Members are permitted to recover from the Settlement.

If the Settlement Agreement is approved by the Ontario Court, the Settlement Amount, after deduction of Class Counsel Fees, Administration Expenses, Funding Expenses and any approved honorarium ("**Net Settlement Amount**") will be distributed to Class Members in accordance with the Distribution Protocol, subject to the Ontario Court's approval.

The proposed Distribution Protocol provides that in order to determine the individual entitlements of Class Members who make claims, interests in the Net Settlement Amount ("**Net Settlement Amount Interests**") will be allocated to a claimant for each BIM Security that was tendered for sale to the Joint Bid or otherwise disposed of on or after January 14, 2011. The number of Net Settlement Amount Interests allocated to each such BIM Security depends on when the BIM Security was purchased or acquired and whether the BIM Security is a share or a warrant. Once the Net Settlement Amount Interests of all Class Members who have filed valid claims have been calculated, each Class Member's actual compensation will be the portion of the Net Settlement Amount equivalent to the ratio of his, her or its number of Net Settlement Amount Interests to the total number of Net Settlement Amount Interests of all Class Members who have filed valid claims, multiplied by the Net Settlement Amount. Because the Net Settlement Amount will be distributed *pro rata*, it is not possible to estimate the individual recovery of any individual Class Member until all the claims have been received and reviewed.

The approval of the Settlement is not contingent on the approval of the Distribution Protocol. The Court may still approve the Settlement even if it does not approve the Distribution Protocol or approves amendments to the Distribution Protocol.

In the event any amounts remain undistributed 180 days after the distribution of the Net Settlement Amount (because of uncashed cheques or for other administrative reasons), those amounts will be distributed to eligible Class Members (if sufficient to warrant a further distribution) or allocated in a manner approved by the Ontario Court.

Administrator

The Ontario Court has appointed ● as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) determine Class Members' eligibility for and entitlement to compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding claims for compensation; and (iv) manage and distribute the Settlement Amount in accordance with the Settlement Agreement and the orders of the Ontario Court. The Administrator can be contacted at:

Telephone: ●

Mailing Address: ●

Website: ●

Filing a Claim

All claims for compensation from the Settlement must be received by no later than 11:59pm Toronto (Eastern) time on ●.

The most efficient way to file a claim is to visit the Administrator's website at ● . The website provides step by step instructions on how to file a claim. In order to verify claims, the Administrator will require supporting documentation, including brokerage statements or confirmations evidencing the claimed transactions in BIM Securities. Accordingly, Class Members should visit the Administrator's site as soon as possible so that they have time to obtain the required documentation prior to the Claims Bar Deadline.

The Administrator will also accept Claim Forms filed by mail or courier. To obtain a copy of the Claim Form, Class Members may print one from the Administrator's website or contact the Administrator to have one sent by email or regular mail. Claim Forms sent by mail or courier should be sent to:

●

Class Members with questions about how to complete or file a Claim Form, or the documentation required to support a claim, should contact the Administrator at the above coordinates.

Class Members' Right to Participate in the Motion for Approval

Class Counsel has posted or will post the following material on its website (www.siskinds.com/class-action/baffinland-iron-mines-corporation/) on or before the dates set out below:

1. The Settlement Agreement, including the proposed Distribution Protocol (posted prior to or at the time of publication of this notice);

2. A summary of the basis upon which Class Counsel recommends the Settlement and Distribution Protocol (posted prior to or at the time of publication of this notice);

3. Sample calculations of Net Settlement Amount Interests using the Distribution Protocol (posted prior to or at the time of publication of this notice);

4. The Plaintiffs' evidence and written argument in support of the approval of the Settlement and Distribution Protocol (by ●); and

5. Class Counsel's evidence and written argument in support of the request for approval of Class Counsel's fees and disbursements (by ●).

Class Members who wish to comment on, or make an objection to, the approval of the Settlement Agreement, the Distribution Protocol or the Class Counsel Fees requested shall deliver a written submission to Class Counsel, at the address listed below, no later than ●. Any objections delivered by that date will be filed with the Ontario Court.

Class Members may attend at the hearing whether or not they deliver an objection. Class Members who wish a lawyer to speak on their behalf at the hearing may retain one to do so at their own expense.

Copies of the Settlement Documents

Copies of the Settlement Agreement, the Distribution Protocol and other documents relating to the Settlement may be found on the Administrator's website, Class Counsel's website or by contacting the Administrator or Class Counsel using the contact information provided in this notice.

Class Counsel

Siskinds LLP is Class Counsel. Inquiries may be directed to:

Anthony O'Brien
Siskinds LLP
302 – 100 Lombard Street
Toronto, ON M5C 1M3
Tel: 1-877-672-2121 x ●
Fax: 519-672-6065
Email: anthony.obrien@siskinds.com
Website: www.siskinds.com/class-action/baffinland-iron-mines-corporation/

Interpretation

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.

Schedule D

Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	_____, THE _____
	)	
JUSTICE H. A. RADY	)	DAY OF_____, 2019
	)	

B E T W E E N :

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and -

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

Defendants

ORDER

THIS MOTION, made by the Plaintiffs for an Order approving the Settlement Agreement reached between the Plaintiffs and the Defendants on ●, 2019 ("**Settlement Agreement**"), was heard this day at 80 Dundas Street, London, Ontario.

ON READING the materials filed and on hearing the submissions of Class Counsel and counsel for the Defendants.

AND ON BEING ADVISED that the deadline for objecting to the Settlement Agreement has passed and there have been ● written objections to the Settlement Agreement.

AND ON BEING ADVISED that the Defendants consent to this Order.

1. **THIS COURT ORDERS** that, except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement attached hereto as **Schedule "1"**.

2. **THIS COURT ORDERS** that the period for Class Members to opt out of this Action in accordance with the Order of the Ontario Superior Court of Justice dated June ●, 2019 expired as of August ●, 2019.

3. **THIS COURT ORDERS** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.

4. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to section 29 of the *Class Proceedings Act, 1992*, SO 1992, c 6.

5. **THIS COURT ORDERS** that all provisions of the Settlement Agreement (including the Recitals and Definitions) form part of this Order and are binding upon the Defendants in accordance with the terms thereof, and upon the Plaintiffs and all Class Members that did not opt out of this Action in accordance with the Order of the Ontario Superior Court of Justice dated ●, including those persons that are minors or mentally incapable.

6. **THIS COURT ORDERS** that in the event of a conflict between this Order and the Settlement Agreement, this Order shall prevail.

7. **THIS COURT ORDERS** that compliance with requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, RRO 1990, Reg 194 is hereby dispensed with.

8. **THIS COURT ORDERS** that the Settlement Agreement shall be implemented in accordance with its terms.

9. **THIS COURT ORDERS** that the Plaintiffs and Defendants may, on notice to the Court but without the need for further order of the Court, agree to reasonable extensions of time to carry out any provisions of the Settlement Agreement.

10. **THIS COURT ORDERS** that, other than that which has been provided in section 13.2(1) of the Settlement Agreement, the Defendants and the other Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement.

11. **THIS COURT ORDERS** that, upon the Effective Date, the Releasors under the Settlement Agreement forever and absolutely release, waive, and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims that any of them whether directly or indirectly or in any other capacity ever had, now have, or hereafter can, shall or will have, as provided by the Settlement Agreement.

12. **THIS COURT ORDERS** that, upon the Effective Date, the Releasors and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee, or any other person who may claim contribution or indemnity or other claims over relief from any Releasee, in respect of any Released Claim or any matter related thereto.

13. **THIS COURT ORDERS** that, upon the Effective Date, the Action shall be dismissed against all Defendants with prejudice and without costs.

The Honourable Justice Rady

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

ORDER

Siskinds LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSO#: 45787G)
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Fax: 519-660-7873

302-100 Lombard Street
Toronto, ON M5C 1M3

Anthony O'Brien (LSO#: 56129U)
Tel: 416-594-4394
Fax: 519-672-6065

Lawyers for the Plaintiffs

Schedule E

Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	_____, THE _____
	)	
JUSTICE H. A. RADY	)	DAY OF_____, 2019
	)	

B E T W E E N :

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and -

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

Defendants

ORDER

THIS MOTION, made by the Plaintiffs for an Order: (i) approving the Distribution Protocol; (ii) approving the form and method of publication and dissemination of the notices of settlement approval, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the materials filed and on hearing the submissions of Class Counsel and counsel for the Defendants.

AND ON BEING ADVISED that the deadline for objecting to the Distribution Protocol has passed and there have been ● written objections to the Distribution Protocol.

AND ON BEING ADVISED that the Defendants do not oppose this Order.

1. **THIS COURT ORDERS** that, except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement reached between the Plaintiffs and the Defendants on ●, 2019 ("**Settlement Agreement**") attached hereto as **Schedule "1"**.

2. **THIS COURT ORDERS** that the Distribution Protocol, substantially in the form attached hereto as **Schedule "2"**, is fair and appropriate.

3. **THIS COURT ORDERS** that the Distribution Protocol is approved and that the Settlement Amount shall be distributed in accordance with the terms of the Settlement Agreement, following payment of Class Counsel Fees approved by this Court, the Funding Commission, Administration Expenses and any other expenses approved by this Court.

4. **THIS COURT ORDERS** that the Plan of Notice, substantially in the form attached hereto as **Schedule "3"**, is hereby approved for the purpose of the publication and dissemination of the Second Notice.

5. **THIS COURT ORDERS** that the form and content of the short-form Second Notice, substantially in the form attached hereto as **Schedule "4"**, is hereby approved.

6. **THIS COURT ORDERS** that the form and content of the long-form Second Notice, substantially in the form attached hereto as **Schedule "5"**, is hereby approved.

The Honourable Justice Rady

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

ORDER

Siskinds LLP
Barristers & Solicitors
680 Waterloo Street
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Michael G. Robb (LSO#: 45787G)
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302-100 Lombard Street
Toronto, ON M5C 1M3

Anthony O'Brien (LSO#: 56129U)
Tel: 416-594-4394
Fax: 519-672-6065

Lawyers for the Plaintiffs

Schedule F

Did you tender securities of Baffinland Iron Mines Corporation ("Baffinland") to the take-over bid or otherwise dispose of Baffinland securities on or after January 14, 2011?

A settlement has been reached in the certified class action against Baffinland and other defendants. The class action alleges misrepresentations, oppression and other causes of action in connection with the take-over bid made by certain of the defendants to acquire Baffinland securities that concluded in February 2011 and Baffinland's January 13, 2011 news release concerning the results of the feasibility study on the road haulage option for its Mary River Project.

The defendants have agreed that the total amount of CAD$6,500,000 shall be paid in settlement of the class action. The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by the defendants.

The settlement has been approved by the Ontario Superior Court of Justice.

For more information about your rights and how to exercise them, see the long-form notice available online at ● or call toll-free at: ●.

Schedule G

BAFFINLAND IRON MINES CORPORATION SECURITIES CLASS ACTION

NOTICE OF SETTLEMENT APPROVAL

Read this notice carefully as it may affect your legal rights.
You may need to take prompt action.

This notice is directed to: All persons, other than Excluded Persons (as defined below) and those who validly opted out of the class action, who: (i) tendered for sale BIM Securities* to take-over bids by ArcelorMittal S.A., Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, L.P., NPG Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P. and/or 1843208 Ontario Inc. (collectively, "**Offerors**") and whose BIM Securities* were taken up by the Offerors; or (ii) otherwise disposed of BIM Securities* on or after January 14, 2011 ("**Class Members**").

* "BIM Securities" means the common shares of Baffinland Iron Mines Corporation ("**Baffinland**") and the share purchase warrants issued by Baffinland pursuant to a warrant indenture dated January 31, 2007 and previously listed for trading on the Toronto Stock Exchange under the ticker symbol "BIM.WT".

Purpose of this Notice

The purpose of this notice is to advise Class Members of the approval of the settlement of the class proceeding brought on behalf of Class Members.

The Action and Class Certification

In 2011, a class proceeding ("**Action**") was commenced in the Ontario Superior Court of Justice ("**Ontario Court**") against the Offerors, Baffinland, Lakshmi N. Mittal, Aditya Mittal, Phillipus F. Du Toit, Jowdat Waheed, Bruce Walter, John T. Raymond, John Calvert, Richard D. McCloskey, John Lydall and Daniella Dimitrov (collectively, "**Defendants**").

The Action concerns the take-over bid made by the Offerors to acquire all of the BIM Securities, which ultimately concluded in February 2011 ("**Joint Bid**"). The Action alleges that disclosure documents issued leading up to and in connection with the Joint Bid contained misrepresentations and that certain of the Defendants engaged in conduct that oppressed the Class Members. It also includes allegations of misrepresentation in Baffinland's January 13, 2011 news release announcing the results of a feasibility study into a road haulage option for its Mary River Project. It is alleged that the Class Members were damaged by the conduct of the Defendants.

On May 18, 2018, the Ontario Court certified the Action as a class action on behalf of the following class:

> All persons, other than Excluded Persons, who:
>
> (i) tendered for sale BIM Securities to take-over bids by the Offerors and whose BIM Securities were taken up by the Offerors; or

(ii) otherwise disposed of BIM Securities on or after January 14, 2011.

"Excluded Persons" means (1) the Defendants, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns; (2) any member of the families of the individual Defendants; (3) the following individuals or entities, each of which directly or indirectly entered into a lock-up agreement pursuant to which BIM Securities were tendered to the Joint Bid: Resource Capital Fund IV L.P.; Resource Capital Fund III L.P.; RCF Management LLC; John Lydall; Walmley Investments Ltd; Gordon Watts; Michael T. Zurowski; Richard Matthews; Richard D. McCloskey; Gregory G. Missal; Ronald S. Simkus; Daniella E. Dimitrov; Grant Edey; Wide Range Mining Projects Pty Ltd, as trustee for the G&K Fietz Family Trust; Gwen M. Gareau; and Russell L Cranswick; and (4) those persons whose BIM Securities were transferred to 1843208 Ontario Inc. pursuant to the Plan of Arrangement completed on March 25, 2011, including (without limitation) the dissenting shareholders identified in Schedule "A" of the Notice of Application filed on May 17, 2011 in the dissent and appraisal proceeding commenced by 1843208 Ontario Inc. in Superior Court of Justice, Toronto Region (Commercial List), Court File No. CV-11-9222-00CL; however, such exclusion taking effect only to the extent of the BIM Securities transferred by those persons to 1843208 Ontario Inc. pursuant to the Plan of Arrangement.

Pursuant to an order of the Ontario Court dated ●, Class Members were afforded the right to exclude themselves or "opt out" of the class by no later than ●. This notice does not affect persons who validly exercised the right to opt out. Persons who opted out are not entitled to participate in the settlement.

Court Approval of the Settlement

On ●, 2019, the Plaintiffs and the Defendants executed a Settlement Agreement providing for the settlement of the Action ("**Settlement**"). The Settlement Agreement provides for the payment of CAD$6,500,000.00 ("**Settlement Amount**") in consideration of the full and final settlement of the claims of Class Members. The Settlement Amount includes all legal fees, disbursements, taxes and administration expenses.

The Settlement provides that the claims of all Class Members asserted or which could have been asserted in the Action will be fully and finally released, and the Action will be dismissed. The Settlement is not an admission of liability, wrongdoing or fault on the part of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

On ●, the Ontario Court approved the Settlement and ordered that it be implemented in accordance with its terms.

The Ontario Court also awarded Siskinds LLP ("**Class Counsel**") total legal fees, expenses and applicable taxes in the amount of CAD$● ("**Class Counsel Fees**") inclusive of disbursements of CAD$●, plus HST. As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement ("**Administration Expenses**") will also be paid from the Settlement Amount before it is distributed to Class Members.

The Plaintiffs entered into a litigation funding agreement with Claims Funding Australia Pty Ltd ("**CFA**"). Pursuant to that agreement, CFA agreed to pay any adverse cost awards against the Plaintiffs, and to pay C$50,000 towards disbursements. In return, CFA is entitled to receive from the Settlement Amount reimbursement of disbursements paid and 7% of the amounts distributed to the Class Members after the deduction of Class Counsel Fees and Administration Expenses ("**Funding Expenses**"). The litigation funding agreement with CFA was approved by the Ontario Court on November 21, 2013. Amounts owing to CFA will be deducted from the amounts to be distributed to the Class Members before the actual distribution.

The Ontario Court also approved the payment of an honorarium to the Plaintiffs in the amount of CAD$●. The honorarium will be deducted from the Settlement Amount before it is distributed to Class Members.

Class Members' Entitlement to Compensation

Pursuant to the Ontario Court order approving the Settlement, the claims of Class Members which were or could have been asserted in the Action are now released and the Action has been dismissed. Class Members may not pursue individual or class actions for those claims, regardless of whether or not they file a claim for compensation from the Settlement. **The Settlement therefore represents the only means of compensation available to Class Members in respect of the claims raised in the Action.**

For instructions on how to make a claim for compensation from the Settlement, refer to the previously-issued notice of certification and settlement approval hearing, which is available at ●. To be eligible for compensation under the Settlement, Class Members must submit their Claim Form **no later than 11:59pm Toronto (Eastern) time on ●**.

After deduction of Class Counsel Fees, Administration Expenses, Funding Expenses and the approved honorarium, the balance of the Settlement Amount ("**Net Settlement Amount**") will be distributed to Class Members in accordance with the Distribution Protocol approved by the Ontario Court.

Each Class Member who has filed a valid claim will receive a portion of the Net Settlement Amount calculated in accordance with the Distribution Protocol. The Distribution Protocol provides that in order to determine the individual entitlements of Class Members who make claims, interests in the Net Settlement Amount ("**Net Settlement Amount Interests**") will be allocated to a claimant for each BIM Security that was tendered for sale to the Joint Bid or otherwise disposed of on or after January 14, 2011. The number of Net Settlement Amount Interests allocated to each such BIM Security depends on when the BIM Security was purchased or acquired and whether the BIM Security is a share or a warrant. Once the Net Settlement Amount Interests of all Class Members who have filed valid claims have been calculated, each Class Member's actual compensation will be the portion of the Net Settlement Amount equivalent to the ratio of his, her or its number of Net Settlement Amount Interests to the total number of Net Settlement Amount Interests of all Class Member who have filed valid claims, multiplied by the Net Settlement Amount. Because the Net Settlement Amount will be

distributed *pro rata*, it is not possible to estimate the individual recovery of any individual Class Member until all the claims have been received and reviewed.

In the event any amounts remain undistributed 180 days after the distribution of the Net Settlement Amount (because of uncashed cheques or for other administrative reasons), those amounts will be distributed to eligible Class Members (if sufficient to warrant a further distribution) or allocated in a manner approved by the Ontario Court.

Copies of the Settlement Documents

Copies of the Settlement Agreement, the Distribution Protocol and other documents relating to the Settlement may be found on the Administrator's website, Class Counsel's website or by contacting the Administrator or Class Counsel using the contact information provided in this notice.

Administrator

The Administrator can be contacted at:

Telephone: ●

Mailing Address: ●

Website: ●

Class Counsel

Siskinds LLP is Class Counsel. Inquiries may be directed to:

Anthony O'Brien
Siskinds LLP
302 – 100 Lombard Street
Toronto, ON M5C 1M3
Tel: 1-877-672-2121 x ●
Fax: 519-672-6065
Email: anthony.obrien@siskinds.com
Website: www.siskinds.com/class-action/baffinland-iron-mines-corporation/

Interpretation

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.

Schedule H

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings ascribed to them in the Settlement Agreement dated June ●, 2019.

Subject to such alternative or additional direction by the Court, notices provided for as contemplated in the Settlement Agreement will be disseminated as follows:

PART 1 – FIRST NOTICE

A. First Notice: Short-Form

As soon as possible following the entry of the First Order, but in any event within seventeen (17) calendar days of the entry of the First Order, the short-form First Notice will be disseminated as follows:

Newspaper Publication

Print publication of the short-form First Notice will be at least a ¼ page in size. Print publication will be made in Canada in the English language in the business section of the national weekend edition of *The Globe and Mail* and in the French language in the business section of *La Presse*.

NewsWire Publication

The English and French language versions of the short-form First Notice will be issued (with necessary formatting modifications) across *Canada Newswire*, a major business newswire in Canada, and sent to *Institutional Shareholder Services Inc.* (*ISS*).

B. First Notice: Long-Form

Individual Notice

As soon as possible following the entry of the First Order, but in any event within twenty-five (25) calendar days of the entry of the First Order, the long-form First Notice and the Claim Form will be sent to all putative Class Members as follows:

1. The Administrator shall mail the long-form First Notice and the Claim Form to individuals and entities identified as a result of Baffinland delivering to Class Counsel and the Administrator an electronic list of potential Class Members as required by the Settlement Agreement; and

2. The Administrator shall send the long-form First Notice and the Claim Form to the Canadian brokerage firms in the Administrator's proprietary databases requesting that the brokerage firms either send a copy of the long-form First Notice and the Claim Form to all individuals and entities identified by the brokerage firms as being Class Members, or to send the names and addresses of all known Class Members to the Administrator (who shall subsequently mail the long-form First Notice and the Claim Form to the individuals and entities so identified).

Publication by Class Counsel

As soon as possible following the entry of the First Order, but in any event within seventeen (17) calendar days of the entry of the First Order, the long-form First Notice will be disseminated as follows:

Electronic publication of the long-form First Notice will occur in both the English and French languages on the Baffinland class action website of Class Counsel at https://www.siskinds.com/class-action/baffinland-iron-mines-corporation/ ("**Class Counsel Website**").

The long-form First Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Class Counsel shall make a toll-free number and email address available to the public that will enable Class Members to contact Class Counsel in order that they may, amongst other things:

(a) obtain more information about the Settlement, how to object to the Settlement, the claims process and the opt out process; and/or

(b) request that a copy of the Settlement Agreement, the long-form First Notice and the Claim Form be electronically or physically mailed to them.

Class Counsel will post on the Class Counsel Website:

1. the Settlement Agreement;

2. the Collateral Agreement, with the opt-out threshold figure redacted;

3. the long-form First Notice;

4. a short summary of the rationale for the Settlement;

5. sample calculations of Net Settlement Amount Interests pursuant to the Distribution Protocol;

6. its evidence and written submissions in support of the motion for approval of the Settlement (no less than 30 days prior to the motion to approve the Settlement); and

7. its evidence and written submissions in support of the motion for approval of Class Counsel Fees and disbursements (no less than 30 days prior to the motion to approve Class Counsel Fees and disbursements).

PART 2 – SECOND NOTICE

A. Second Notice: Short-Form

As soon as possible following the Implementation Date, but in any event within fourteen (14) calendar days of the Implementation Date, the short-form Second Notice will be disseminated as follows:

The English and French language versions of the short-form Second Notice will be issued (with necessary formatting modifications) across *Canada Newswire*, a major business newswire in Canada, and sent to *Institutional Shareholder Services Inc.* (*ISS*).

B. Second Notice: Long-Form

As soon as possible following the Implementation Date, but in any event within fourteen (14) calendar days of the Implementation Date, the long-form Second Notice will be disseminated as follows:

Electronic publication of the long-form Second Notice will occur in both the English and French languages on the Class Counsel Website.

Class Counsel shall mail or email the long-form Second Notice to those persons that have contacted Class Counsel as of the publication date regarding this litigation and have provided Class Counsel with their contact information.

Class Counsel shall make a toll-free number and email address available to the public that will enable Class Members to obtain more information about the settlement and to request that a copy of the long-form Second Notice be sent electronically or physically to them directly.

Schedule I

DISTRIBUTION PROTOCOL

This Distribution Protocol should be read in conjunction with the Settlement Agreement dated ●, 2019 ("**Settlement Agreement**").

DEFINED TERMS

1. Unless otherwise defined herein, capitalized terms used herein are as defined in the Settlement Agreement, which definitions apply to and are incorporated herein. In addition, the following definitions apply to this Distribution Protocol:

   (a) "**Authorized Claimant**" means a Claimant who is entitled to a number of Net Settlement Amount Interests greater than zero under this Distribution Protocol;

   (b) "**Claimant**" means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator on or before the Claims Bar Deadline;

   (c) "**Claims Bar Deadline**" means 11:59pm Toronto (Eastern) time on the date that is one hundred and eighty (180) calendar days after the date on which the First Notice is first published or such other date as may be fixed by the Court;

   (d) "**FIFO**" means "first in, first out", whereby for the purpose of determining Claimants' Net Settlement Amount Interests, securities are deemed to be sold in the same order that they were purchased (e.g. the first BIM Securities purchased by a Claimant are deemed to be the first BIM Securities sold); and

   (e) "**Net Settlement Amount Interest**" means a single undivided interest in the Net Settlement Amount as calculated pursuant to the formulae set forth in this

Distribution Protocol, which forms the basis upon which each Authorized Claimant's *pro rata* share of the Net Settlement Amount is determined.

OBJECTIVE

2. The objective of this Distribution Protocol is to equitably distribute the Net Settlement Amount among Authorized Claimants.

CALCULATION OF MONETARY COMPENSATION

3. The Net Settlement Amount will be distributed in accordance with this Distribution Protocol.

4. The Administrator shall first determine the number of Net Settlement Amount Interests to which a Claimant is entitled. If the Claimant is entitled to a number of Net Settlement Amount Interests greater than zero, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's monetary compensation.

5. A Claimant must be entitled to a number of Net Settlement Amount Interests greater than zero in order to be eligible to receive a payment from the Net Settlement Amount. A Claimant that is not entitled to a number of Net Settlement Amount Interests greater than zero will not be entitled to receive any portion of the Net Settlement Amount.

6. The Administrator will apply FIFO to match purchases or acquisitions of BIM Securities with tenders or dispositions of BIM Securities for the purposes of determining the date of purchase or acquisition of Eligible Securities.

7. The date of a purchase, acquisition, tender for sale or disposition of a BIM Security shall be the trade date, as opposed to the settlement date of the transaction or the payment date.

8. The Administrator shall account for any splits or consolidations, such that Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded on and after January 14, 2011.

9. Transfers of BIM Securities between accounts belonging to the same Claimant will not be taken into account in determining the number of Net Settlement Amount Interests to which a Claimant is entitled. By way of example, if a Claimant acquired Eligible Securities prior to September 21, 2010, and then transferred those Eligible Securities to another account belonging to the same Claimant during the period from September 22, 2010 to January 13, 2011, those Eligible Securities will be treated as having been acquired on or before September 21, 2010 for the purposes of determining the number of Net Settlement Amount Interests to which a Claimant is entitled.

10. The Administrator will use the data, derived from applying FIFO, in the calculation of a Claimant's Net Settlement Amount Interests and an Authorized Claimant's monetary compensation according to the formulae below.

11. The number of Net Settlement Amount Interests to which a Claimant is entitled will be calculated as follows:

I. For Eligible Securities that were held at the close of trading on the Toronto Stock Exchange on September 21, 2010, a Claimant is entitled to:

A. three (3) Net Settlement Amount Interests for each such Eligible Security that is a Common Share; and

B. one-fifth (0.2) of a Net Settlement Amount Interest for each such Eligible Security that is a 2007 Warrant.

II. For Eligible Securities that were purchased or acquired between

September 22, 2010 and January 13, 2011 (inclusive), a Claimant is entitled to:

A. three-quarters (0.75) of a Net Settlement Amount Interest for each such Eligible Security that is a Common Share; and

B. one-twentieth (0.05) of a Net Settlement Amount Interest for each such Eligible Security that is a 2007 Warrant.

III. For Eligible Securities that were purchased or acquired on or after January 14, 2011, a Claimant is not entitled to any Net Settlement Amount Interests for such Eligible Securities.

12. The total number of Net Settlement Amount Interests of all Authorized Claimants equals the sum of the Net Settlement Amount Interests to which each Authorized Claimant is entitled.

13. After determining the number of Net Settlement Amount Interests to which an Authorized Claimant is entitled and the total number of Net Settlement Amount Interests of all Authorized Claimants, the Administrator shall then determine the monetary compensation payable to each Authorized Claimant.

14. Each Authorized Claimant's actual compensation will be the portion of the Net Settlement Amount equivalent to the ratio of his, her or its number of Net Settlement Amount Interests to the total number of Net Settlement Amount Interests of all Authorized Claimants, multiplied by the Net Settlement Amount, as calculated by the Administrator.

15. The following is an illustration of the calculation of an Authorized Claimant's compensation applying the formula set out in this Distribution Protocol:

(a) assume that a particular Claimant ("**Claimant A**") purchased 1,000 Common Shares on January 1, 2010 and 100 2007 Warrants on November 1, 2010;

(b) assume that Claimant A tendered the 1,000 Common Shares to the take-over bid of the Offerors and had those Common Shares taken up by the Offerors, and sold the 100 2007 Warrants on the secondary market on February 1, 2011;

(c) assume that Claimant A had no other transactions in BIM Securities;

(d) assume that all Authorized Claimants, including Claimant A, are entitled to 15,025,000 Net Settlement Amount Interests;

(e) assume that the Net Settlement Amount is equal to CAD$4,000,000;

(f) accordingly:

(i) the number of Net Settlement Amount Interests to which Claimant A is entitled is 3,005 (calculated as 1,000x3 + 100x0.05); and

(ii) Claimant A's actual compensation is CAD$800 (calculated as 3,005/15,025,000 x CAD$4,000,000).

CLAIMS PROCESS

16. In order to seek payment from the Settlement Amount, a Class Member shall submit a completed Claim Form to the Administrator on or before the Claims Bar Deadline.

17. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:

    (a) for a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member;

    (b) for a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that:

        (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;

        (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and

        (iii) the Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.

18. The Administrator shall ensure that only claims for compensation in respect of Eligible Securities in the Claim Form are approved.

19. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family duly authorized by the Claimant to the satisfaction of the Administrator.

IRREGULAR CLAIMS

20. The claims process is intended to be expeditious, cost effective and "user friendly" to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith.

21. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.

22. In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of sixty (60) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to and bound by the provisions of the Settlement Agreement and the releases contained therein.

23. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believes that the claim contains unintentional errors which would materially exaggerate the number of Net Settlement Amount Interests to which the Claimant is entitled, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate number of Net Settlement Amount Interests is allocated to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the number of Net Settlement Amount Interests to which the Claimant is entitled, then the Administrator shall disallow the claim in its entirety.

24. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's

last known email or postal address, a notice advising that the claim has been disallowed and that the Claimant may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Net Settlement Amount Interests or his, her or its individual compensation.

25. Any request for reconsideration must be received by the Administrator within 45 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

26. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.

27. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.

28. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

29. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

30. No action shall lie against Class Counsel or the Administrator for any decision made in the administration of the Settlement Agreement and the Distribution Protocol without an order from a Court authorizing such an action.

EXTENSION OF DEADLINES

31. By agreement between the Administrator and Class Counsel, any deadline contained in this Distribution Protocol, including the Claims Bar Deadline, may be extended. Class Counsel and the Administrator shall agree to extend a deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

32. Following the Claims Bar Deadline, and in accordance with the terms of the Settlement Agreement, the Distribution Protocol, and such further approval or order of the Court as may be necessary, or as circumstances may require, the Administrator shall distribute the Net Settlement Amount to Authorized Claimants.

33. No claims or appeals shall lie against Class Counsel or the Administrator based on distributions made substantially in accordance with the Settlement Agreement, the Distribution Protocol, or with any other order or judgment of the Court.

34. The Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Distribution Protocol is less than CAD$10.00. Such amounts shall instead be allocated *pro rata* to other Authorized Claimants.

35. Compensation shall be paid to Authorized Claimants in Canadian currency.

36. The Administrator shall make payment to an Authorized Claimant by either bank transfer or by cheque at the address provided by the Authorized Claimant or the last known postal address for the Authorized Claimant. If, for any reason, an Authorized Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Authorized Claimant, the Authorized Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with this Distribution Protocol.

37. If, one hundred eighty (180) days from the date on which the Administrator distributes the Net Settlement Amount to Authorized Claimants, the Escrow Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than may practically be distributed to Authorized Claimants in the opinion of Class Counsel and the Administrator, such balance shall be allocated *cy pres* to one or more recipients to be approved by the Court.

38. Upon conclusion of the administration, the Administrator shall provide an accounting to the Parties for all payments made from the Escrow Account.

This is Exhibit "B" mentioned and referred to in the Affidavit of Garett Hunter, sworn before me at the City of London, in the Province of Ontario, this 7th day of August, 2019.

A Commissioner, etc.

Court File No. 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and -

ARCELORMITTAL S.A., LAKSHMI N. MITTAL, ADITYA MITTAL, 1843208 ONTARIO INC., PHILIPPUS F. DU TOIT, NUNAVUT IRON ORE ACQUISITION INC., IRON ORE HOLDINGS, LP, NGP MIDSTREAM & RESOURCES, L.P., NGP M&R OFFSHORE HOLDINGS, L.P., JOWDAT WAHEED, BRUCE WALTER, JOHN T. RAYMOND, JOHN CALVERT, BAFFINLAND IRON MINES CORPORATION, RICHARD D. MCCLOSKEY, JOHN LYDALL and DANIELLA DIMITROV

Defendants

Proceedings under the *Class Proceedings Act, 1992*

SECOND FRESH AS AMENDED STATEMENT OF CLAIM

(NOTICE OF ACTION ISSUED APRIL 19, 2011; AMENDED APRIL 21, 2011; FURTHER AMENDED MAY 6, 2011)

(STATEMENT OF CLAIM FILED MAY 18, 2011; AMENDED MAY 31, 2013; FURTHER AMENDED JUNE 4, 2013; FURTHER AMENDED OCTOBER 31, 2013; FURTHER AMENDED JULY 9, 2018)

AMENDED THIS 9 DAY OF: July 18
PURSUANT TO THE ORDER OF: J. Brady
DATED THE 18 DAY OF July 18

LOCAL REGISTRAR, SUPERIOR COURT OF JUSTICE

MODIFIÉ CE _____ _____ 19 _____
CONFORMÉMENT À L'ORDONNANCE DE: _____
FAIT LE _____ _____ 19 _____

GREFFIER LOCAL COUR SUPÉRIEUR DE JUSTICE

CURRENCY AND DEFINITIONS

1. Unless otherwise indicated, all dollar amounts stated herein are expressed in Canadian currency.

2. The following definitions apply for the purpose of this Statement of Claim:

   (a) "**Aditya Mittal**" means the defendant Aditya Mittal;

   (b) "**AMEC**" means AMEC Americas Limited, consulting engineers who completed the **2011 Road Feasibility Study**;

   (c) "**Amending Notices**" means, collectively, the notice of variation and extension by **ArcelorMittal** and **2263199** dated December 18, 2010, the notice of extension by **ArcelorMittal** and **2263199** dated December 29, 2010, the notice of variation by **ArcelorMittal** and **2263199** dated December 31, 2010, the notice of extension by **ArcelorMittal** and **2263199** dated January 10, 2011, the notice of variation and extension by **ArcelorMittal**, **2263199**, **Nunavut** and **Iron Ore Holdings** dated January 14, 2011, the notice of extension and change by **ArcelorMittal**, **2263199**, **Nunavut** and **Iron Ore Holdings** dated January 25, 2011, and the notice of extension by **ArcelorMittal**, **1843208**, **Nunavut** and **Iron Ore Holdings** dated February 7, 2011;

   (d) "**ArcelorMittal**" means the defendant ArcelorMittal S.A.;

   (e) "**ArcelorMittal Directors' Circular**" means the Directors' Circular issued by the BIM Board of Directors on November 12, 2010 recommending acceptance of the **Initial ArcelorMittal Offer**;

(f) "**ArcelorMittal Directors' Circular Amending Notices**" means the notices of change to the **ArcelorMittal Directors' Circular** issued by the BIM Board of Directors on December 20, 2010, December 31, 2010, January 3, 2011, and January 17, 2011;

(g) "**Bid Documents**" means the **Original Circular**, the **Amending Notices**, the **ArcelorMittal Directors' Circular**, the **ArcelorMittal Directors' Circular Amending Notices**, the **Nunavut Directors' Circular** and the **Nunavut Directors' Circular Amending Notices**;

(h) "**BIM**" means the defendant Baffinland Iron Mines Corporation;

(h.1) "**BIM Board**" means the Board of Directors of BIM;

(i) "**BIM Officers and Directors**" means the defendants **McCloskey**, **Lydall**, and **Dimitrov**;

(j) "**BIM Securities**" means the **Common Shares** and **2007 Warrants** issued by BIM;

(k) "**Calvert**" means the defendant John Calvert;

(l) "***CBCA***" means the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended;

(m) "**CIBC**" means CIBC World Markets Inc.;

(n) "**CIBC Opinion**" means the written opinion of **CIBC** dated November 5, 2010 attached to the **ArcelorMittal Directors' Circular**;

(o) "***CJA***" means the Ontario *Courts of Justice Act*, RSO 1990, c C.43, as amended;

(p) "**Class**" or "**Class Members**" have the meanings given to such terms in paragraph 3(a) hereto;

(q) "**Common Shares**" means, at the material time, common shares of BIM;

(r) "***CPA***" means the *Class Proceedings Act, 1992*, SO 1992, c 6, as amended;

(s) "**Defendants**" means, collectively, **ArcelorMittal**, **Lakshmi Mittal**, **Aditya Mittal**, **1843208**, **du Toit**, **Nunavut**, **Iron Ore Holdings**, **NGP Midstream**, **NGP M&R**, **Waheed**, **Walter**, **Raymond**, **Calvert**, **BIM**, **McCloskey**, **Lydall**, and **Dimitrov**;

(t) "**Dimitrov**" means the defendant Daniella Dimitrov;

(u) "**du Toit**" means the defendant Phillipus F. du Toit;

(v) "**EMG Funds**" means the defendants **NGP Midstream** and **NGP M&R**, which are funds managed by the **Energy and Minerals Group**;

(w) "**Energy and Minerals Group**" means the private investment firm of that name, which is based in Texas;

(x) "**Excluded Persons**" means (1) the **Defendants**, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns; (2) any member of the families of the **Individual Defendants**; (3) the following individuals or entities, each of which directly or indirectly entered into a lock-up agreement pursuant to which **BIM Securities** were tendered to the **Joint Bid**: Resource Capital Fund IV L.P.; Resource Capital Fund III L.P.; RCF Management LLC; John Lydall; Walmley Investments Ltd; Gordon Watts; Michael T. Zurowski;

Richard Matthews; Richard D. McCloskey; Gregory G. Missal; Ronald S. Simkus; Daniella E. Dimitrov; Grant Edey; Wide Range Mining Projects Pty Ltd, as trustee for the G&K Fietz Family Trust; Gwen M. Gareau; and Russell L Cranswick; and (4) those persons whose **BIM Securities** were transferred to **1843208** pursuant to the **Plan of Arrangement** completed on March 25, 2011, including (without limitation) the dissenting shareholders identified in Schedule "A" of the Notice of Application filed on May 17, 2011 in the dissent and appraisal proceeding commenced by **1843208** on May 17, 2011 by Notice of Application in Superior Court of Justice, Toronto Region (Commercial List), Court File No. CV-11-9222-00CL; however, such exclusion taking effect only to the extent of the **BIM Securities** transferred by those persons to **1843208** pursuant to the **Plan of Arrangement**;

(y) "**Fe**" is the scientific symbol for iron;

(z) "**Individual Defendants**" means the defendants **Lakshmi Mittal**, **Aditya Mittal**, **du Toit**, **Waheed**, **Walter**, **Raymond**, **Calvert**, **McCloskey**, **Lydall**, and **Dimitrov**;

(aa) "**Initial ArcelorMittal Offer**" means the ArcelorMittal offer, dated November 12, 2010, to purchase all of the outstanding Common Shares for $1.10 per Common Share, and all outstanding 2007 Warrants for $0.10 per 2007 Warrant;

(bb) "**Initial Nunavut Offer**" means the Nunavut offer, dated September 22, 2010, offering to purchase all of the outstanding Common Shares for $0.80 per Common Share;

(cc) "**Iron Ore Holdings**" means the defendant Iron Ore Holdings, LP;

(dd) "**January 2011 Draft Environmental Impact Statement**" means the Draft Environmental Impact Statement filed by BIM with the Nunavut Impact Review Board and referred to in a BIM press release dated January 21, 2011;

(ee) "**January 13, 2011 Press Release**" means the press release issued by BIM on January 13, 2011 purporting to describe the results of the **2011 Road Feasibility Study**;

(ff) "**January 17, 2011 Notice of Change**" means the notice of change to the **ArcelorMittal Directors' Circular** issued by the BIM Board on January 17, 2011, recommending acceptance of the **Joint Bid**;

(gg) "**Joint Bid**" means a take-over-bid for all of the Common Shares and 2007 Warrants of BIM by ArcelorMittal, Nunavut, Iron Ore Holdings and 1843208, pursuant to the **Original Circular** as amended by the **Amending Notices**;

(hh) "**June 2010 Conceptual Study**" means the *Conceptual Study Report – Road Haulage Early Stage Production, June 2010* prepared by BIM;

(ii) "**Lydall**" means the defendant John Lydall;

(jj) "**Lakshmi Mittal**" means the defendant Lakshmi N. Mittal;

(kk) "**Mary River Project**" means BIM's wholly-owned Mary River iron ore mining project located on Baffin Island in Nunavut Territory;

(ll) "**Material Change Report**" means the material change report issued by BIM on January 13, 2011, purporting to report on the results of the 2011 Road Feasibility Study;

(mm) "**NGP Midstream**" means the defendant NGP Midstream & Resources, L.P.;

(nn) "**NGP M&R**" means the defendant NGP M&R Offshore Holdings, L.P.;

(oo) "**Nunavut**" means the defendant Nunavut Iron Ore Acquisition Inc.;

(pp) "**Nunavut Directors' Circular**" means the Directors' Circular issued by the BIM Board of Directors on October 7, 2010;

(qq) "**Nunavut Directors' Circular Amending Notices**" means the notices of change to the **Nunavut Directors' Circular** issued by the BIM Board of Directors on December 20, 2010, December 31, 2010, January 3, 2011 and January 17, 2011;

(rr) "**McCloskey**" means the defendant Richard D. McCloskey;

(ss) "***OBCA***" means the Ontario *Business Corporations Act*, RSO 1990, c B.16, as amended;

(tt) "**Offerors**" means the defendants ArcelorMittal, 1843208, Nunavut, Iron Ore Holdings, NGP Midstream and NGP M&R;

(uu) "**Original Circular**" means a take-over bid circular of ArcelorMittal dated November 12, 2010;

(vv) "***OSA***" means the Ontario *Securities Act*, RSO 1990, c S.5, as amended;

(ww) "**OSC**" means the Ontario Securities Commission;

(xx) "**Other Canadian Securities Acts**" means the *Securities Act*, RSA 2000, c S-4, as amended; the *Securities Act*, RSBC 1996, c 418, as amended; *The Securities Act*, CCSM c S50, as amended; the *Securities Act*, SNB 2004, c S-5.5, as

amended; the *Securities Act*, RSNL 1990, c S-13, as amended; the *Securities Act*, SNWT 2008, c 10, as amended; the *Securities Act*, RSNS 1989, c 418, as amended; the *Securities Act*, S Nu 2008, c 12, as amended; the *Securities Act*, RSPEI 1988, c S-3.1, as amended; the *Securities Act*, RSQ c V-1.1, as amended; *The Securities Act, 1988*, SS 1988-89, c S-42.2, as amended; and the *Securities Act*, SY 2007, c 16;

(yy) "**Plaintiffs**" means the plaintiffs Peter Rooney and Archie Leach;

(zz) "**Plan of Arrangement**" means BIM's Plan of Arrangement dated February 18, 2011 and ultimately approved by BIM's shareholders on March 22, 2011;

(zz.1) **"QIA"** means the Qikiqtani Inuit Association;

(aaa) "**Raymond**" means the defendant John T. Raymond;

(bbb) "***Rules***" means the Ontario *Rules of Civil Procedure*, RRO 1990, Reg 194, as amended;

(ccc) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval used for electronically filing most securities related information with the Canadian Securities Administrators;

(ddd) "**Support Agreement**" means the Support Agreement between ArcelorMittal and BIM dated November 6, 2010, as amended on December 18, 2010;

(eee) "**TSX**" means the Toronto Stock Exchange;

(fff) "**Waheed**" means the defendant Jowdat Waheed;

(ggg) "**Walter**" means the defendant Bruce Walter;

(hhh) "**2007 Warrants**" means the warrants issued by BIM pursuant to a warrant indenture dated January 31, 2007 and listed for trading on the TSX under the ticker symbol "BIM.WT";

(iii) "**2008 Expansion Study**" means an expanded **2008 Rail Feasibility Study** prepared by Aker Solutions for BIM in June 2008;

(jjj) "**2008 Rail Feasibility Study**" means the *Technical Report of the Definitive Feasibility Study* prepared by Aker Kvaerner for BIM, and dated February 2008 and filed on SEDAR on March 5, 2008;

(kkk) "**2011 Road Feasibility Study**" means the *Mary River Iron Ore Trucking NI 43-101 Technical Report* prepared by AMEC for BIM, and dated January 13, 2011;

(lll) "**1843208**" means the defendant 1843208 Ontario Inc.; and

(mmm)"**2263199**" means 2263199 Ontario Inc.

RELIEF SOUGHT

3. The Plaintiffs claim:

a) An order certifying this action as a class proceeding and appointing the Plaintiffs as representative plaintiffs for a class defined as:

All persons, other than Excluded Persons, who:

(i) tendered for sale BIM Securities to take-over bids by ArcelorMittal, Nunavut, Iron Ore Holdings, NGP Midstream, NGP M&R and/or 1843208 and whose BIM Securities were taken up by the Offerors; or

(ii) otherwise disposed of BIM Securities on or after January 14, 2011;

or such other class definition as may be approved by the Court (the "Class" or "Class Members");

b) A declaration that the Original Circular and the Amending Notices contained a misrepresentation;

c) A declaration that the Nunavut Directors' Circular and the Nunavut Directors' Circular Amending Notices contained a misrepresentation;

d) A declaration that the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices contained a misrepresentation;

e) A declaration that ArcelorMittal, Nunavut, Iron Ore Holdings, 1843208, NGP Midstream and NGP M&R breached section 76 of the *OSA* and the equivalent provisions of the Other Canadian Securities Acts;

f) A declaration that the acts or omissions of BIM have effected a result, the business or affairs of BIM have been carried on or conducted in a manner, or the powers of the directors of BIM have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of the Plaintiffs and the Class Members, within the meaning of section 248(2) of the *OBCA*;

g) A declaration that BIM is vicariously liable for the acts and/or omissions of McCloskey, Lydall, Dimitrov and each of its other officers, directors and employees in connection with the Joint Bid and the acquisition of BIM Securities pursuant thereto;

h) General and special damages in the sum of $1,000,000,000 or such other sum as this Court deems appropriate at the trial of the common issues or at a reference or references;

i) In the alternative to damages, rescission of the transfer of BIM Securities pursuant to the Joint Bid by any individual Class Member who specifically elects such remedy;

j) An order directing a reference or giving such other directions as may be necessary to determine issues not determined at the trial of the common issues;

k) Prejudgment and post judgment interest;

l) Costs of this action on a substantial indemnity basis or in an amount that provides full indemnity plus, pursuant to section 26(9) of the *CPA*, the costs of notice and of administering the plan of distribution of the recovery in this action plus applicable taxes; and

m) Such further and other relief as to this Honourable Court may seem just.

THE PARTIES

4. The Plaintiff, Peter Rooney is a resident of Uxbridge, Ontario. He tendered 98,000 Common Shares to the Joint Bid and sold at least 2000 more shares in the secondary market after January 14, 2011.

5. The Plaintiff, Archie Leach, is a resident of London, Ontario. He sold 3,768,100 Common Shares in the secondary market after January 14, 2011.

6. BIM is an iron mining company incorporated under the *OBCA*. At the material time, BIM was a reporting issuer in all provinces and territories of Canada, and had its head office in Toronto, Ontario. At the material time, BIM's Common Shares were listed for trading on the TSX under the ticker symbol "BIM", and its 2007 Warrants were listed for trading on the TSX under the ticker symbol "BIM.WT". At the material time, BIM's sole business was the development of its wholly-owned Mary River Project located on Baffin Island in Nunavut Territory.

7. ArcelorMittal is a public limited liability company incorporated under the laws of Luxembourg. It is one of the world's largest steel producers. It participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

8. Nunavut is a company incorporated pursuant to the *CBCA*. Nunavut is wholly-owned by Iron Ore Holdings. Nunavut participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

9. Iron Ore Holdings is a limited partnership formed under the laws of Delaware and has as its general partner Iron Ore Holdings GP, LLC. Iron Ore Holdings is the owner of Nunavut. Iron Ore Holdings participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

10. NGP Midstream is a limited partnership having its principal place of business in Irving, Texas. It owns, directly or indirectly, Iron Ore Holdings and Nunavut. NGP Midstream participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

11. NGP M&R is a limited partnership having its principal place of business in Irving, Texas. It owns, directly or indirectly, Iron Ore Holdings and Nunavut. NGP M&R participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

12. 1843208 is a company incorporated pursuant to the laws of Ontario having its head office in Toronto, Ontario. 1843208 was incorporated on January 27, 2011 and on that day amalgamated with 2263199 for the purposes of participating in the take-over of BIM. 1843208 is beneficially owned 70% by ArcelorMittal and 30% by Iron Ore Holdings. 1843208 participated in the Joint Bid as an offeror and acquired BIM Securities, directly or indirectly from Class Members, pursuant thereto.

13. The defendants Lakshmi Mittal and Aditya Mittal were, at the material time, directors and/or officers of ArcelorMittal. They each signed one or more certificates attached to the Original Circular and/or the Amending Notices certifying that the Original Circular and/or the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

14. The defendant du Toit was, at the material time, a director of 1843208. He signed a certificate attached to an amending notice certifying that the Original Circular and the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

15. The defendant Waheed was, at the material time, the Chief Executive Officer of Nunavut and the Chief Executive Officer of Iron Ore Holdings' general partner, Iron Ore Holdings GP, LLC. He signed certificates attached to certain Amending Notices certifying that the Original Circular and the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

16. The defendant Walter was, at the material time, a director of Nunavut and a member of the Board of Managers of Iron Ore Holdings' general partner, Iron Ore Holdings GP, LLC. He signed certificates attached to certain Amending Notices certifying that the Original Circular and the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

17. The defendant Raymond was, at the material time, a director of Nunavut and a member of the Board of Managers of Iron Ore Holdings' general partner, Iron Ore Holdings GP, LLC. He signed certificates attached to certain Amending Notices certifying that the Original Circular and the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

18. The defendant Calvert was, at the material time, Chief Financial Officer and Managing Partner of NGP MR GP, LLC, as general partner of NGP MR, L.P., as general partner

of NGP Midstream and NGP M&R. He signed certificates attached to certain Amending Notices certifying that the Original Circular and the Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

19. The defendants McCloskey, Lydall and Dimitrov were, at the material time, directors and/or officers of BIM. They each signed one or more certificates attached to the ArcelorMittal Directors' Circular, the ArcelorMittal Directors' Circular Amending Notices, the Nunavut Directors' Circular and/or the Nunavut Directors' Circular Amending Notices certifying that the ArcelorMittal Directors' Circular, the ArcelorMittal Directors' Circular Amending Notices, the Nunavut Directors' Circular and the Nunavut Directors' Circular Amending Notices issued up to the relevant time contained no untrue statement of a material fact and did not omit to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

OVERVIEW OF ACTION

20. This action arises out of the 2011 take-over of BIM by the Offerors. The take-over gave the Offerors control of the Mary River Project, one of the world's richest iron ore bodies. The Mary River Project is located on Baffin Island in Nunavut Territory.

21. The Plaintiffs and the Class Members, as holders of BIM Securities, were entitled to full, true and plain disclosure about the business and affairs of BIM in order that they might make informed decisions as to whether to tender their securities to the Joint Bid. They did not get it.

22. Instead, and contrary to their obligations under Canadian securities law, the Defendants provided the Plaintiffs and the Class Members with materially misleading disclosure, replete with misrepresentations about the business and affairs of BIM.

23. The disclosure was not only materially misleading, but the Offerors had knowledge of undisclosed material facts about BIM which they obtained from BIM, thereby creating an unlawful informational imbalance with shareholders who were not BIM insiders. The entire bid process was profoundly tainted, and the completion of the Joint Bid was an unlawful insider trade or series of insider trades contrary to Canadian securities laws.

23A. As more fully particularized below, the undisclosed facts about BIM, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, were either material on their own or material in light of the total mix of information available, and in any case were material facts not generally disclosed in the Defendants' possession from the Initial Nunavut Offer and any amendments thereto, through the Initial ArcelorMittal Offer and any amendments thereto, and throughout the Joint Bid.

24. In the result, the Plaintiffs and the Class Members sold their BIM Securities at too low a price, and the Offerors acquired BIM and control of the Mary River Project at a fraction of their true value. The Plaintiffs and the Class Members were damaged by the acts and omissions of the Defendants, as described herein, and the Offerors were unjustly enriched thereby.

25. The claims against the Defendants may be summarized as follows:

a) As against the Offerors, jointly and severally, the Plaintiff Peter Rooney and the Class Members who sold their BIM Securities to the Offerors pursuant

to the Joint Bid, claim damages pursuant to section 134 of the OSA and the equivalent provisions of the Other Canadian Securities Acts;

b) As against the Offerors, the Plaintiff Peter Rooney and the Class Members who sold their BIM Securities to the Offerors pursuant to the Joint Bid, claim damages for unjust enrichment;

c) As against the Offerors, jointly and severally, the Plaintiff Peter Rooney and all Class Members, except those who sold BIM Securities in the secondary market on or after January 14, 2011 (but only to the extent of such sales), claim damages pursuant to section 131(1) of the *OSA* and the equivalent provisions of the Other Canadian Securities Acts for misrepresentations in the Original Circular and the Amending Notices, or in the alternative to damages, rescission of the transfer of BIM Securities pursuant to the Joint Bid by any individual Class Member who specifically elects such remedy;

d) As against Lakshmi Mittal, Aditya Mittal, du Toit, Waheed, Walter, Raymond, and Calvert, jointly and severally, the Plaintiff Peter Rooney and all Class Members, except those who sold BIM Securities in the secondary market on or after January 14, 2011 (but only to the extent of such sales), claim damages pursuant to section 131(1) of the *OSA* and the equivalent provisions of the Other Canadian Securities Acts for misrepresentations in the Original Circular and the Amending Notices;

e) As against the BIM Officers and Directors, jointly and severally, the Plaintiff Peter Rooney and all Class Members, except those who sold BIM Securities in the secondary market on or after January 14, 2011 (but only to the extent

of such sales), claim damages pursuant to section 131(2) of the *OSA* and the equivalent provisions of the Other Canadian Securities Acts for the misrepresentations in the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices;

f) As against BIM and the BIM Officers and Directors, jointly and severally, the Plaintiffs and all Class Members claim relief from oppression pursuant to section 248 of the *OBCA*, including compensation pursuant to section 248(3)(j) of the *OBCA*; and

For greater clarity, where Class Members sold BIM Securities in the secondary market on or after January 14, 2011, and:

a) also tendered BIM Securities for sale to take-over bids by any of the Offerors and/or 2263199 between September 22, 2010 and February 17, 2011, and the Class Member's tendered BIM Securities were taken up by the any of the Offerors; or

b) otherwise disposed of BIM Securities on or after January 14, 2011,

such Class Members claim the relief set out in subparagraphs (a) to (f), to the extent applicable to them.

EVENTS LEADING TO THE TAKE-OVER OF BAFFINLAND

The 2008 Rail Feasibility Study and the 2008 Expansion Study

26. The Mary River Project, located on northern Baffin Island in Nunavut Territory, is among the largest and most significant undeveloped iron ore deposits in the world. It is a world class mining asset, and it is wholly owned by BIM.

27. On March 5, 2008, BIM filed on SEDAR the 2008 Rail Feasibility Study for the Mary River Project in which iron ore reserve/resource estimates for the project were stated to be: proven and probable reserves of 365 million tonnes grading 64.66% Fe; measured resources of 0.4 million tonnes grading 65.39% Fe; indicated resources of 52 million tonnes grading 64.6% Fe; and inferred resources of 448 million tonnes grading 65.48% Fe. The analysis of the project economics was based on transporting the iron ore from the project site by a proposed 143 kilometre railway to a port on Steensby Inlet for shipping to market, and production of 18 million tonnes of iron ore annually. Capital costs were estimated at approximately $4 billion. The net present value of the project (at a discount rate of 7%) was said to be approximately $5 billion pre-tax and around $2.7 billion after-tax based on average sales prices of US$67 per tonne for lump iron ore and US$55 per tonne for fines.

28. The 2008 Rail Feasibility Study was the definitive study for the Mary River Project and, as such, it was the key document that disclosed BIM's strategic business plan to the investing public.

29. When the 2008 Rail Feasibility Study was made public on March 5, 2008, BIM's Common Shares were trading on the TSX at approximately $3.79 per Common Share.

30. In or about June 2008, BIM received from independent consultants Aker Solutions, the 2008 Expansion Study, which was an expanded 2008 Rail Feasibility Study. In the 2008 Expansion Study, Aker Solutions considered the potential expansion of the Mary River Project to a production rate of 30 million tonnes per annum, an increase of approximately 67% from the production rate stated in the 2008 Rail Feasibility Study. The 2008 Expansion Study assumed the additional production, beyond the 18 million tonnes per annum planned in the 2008 Rail Feasibility Study, would come on-line in the fourth year of production.

31. BIM publicly reported the existence of the 2008 Expansion Study, the fact that results from the study were "consistent with management's expectations", and that the study would contribute to strategic planning for the Mary River Project. However, the 2008 Expansion Study itself was not disclosed to the investing public.

Jowdat Waheed is Retained by BIM, Then Launches Take-Over Bid

32. On February 18, 2010, the defendant Waheed, former President and Chief Executive Officer of Canadian mining company Sherritt International Corporation, entered into a consulting agreement with BIM whereby he provided strategic advice to the BIM Board and the BIM Chief Executive Officer in respect of strategic planning and the development of the Mary River Project.

32A. In the course of his consultancy to BIM, Waheed was provided with virtually unlimited access to strategic, financial and operational information concerning BIM's business and affairs. As particularized more fully elsewhere herein, BIM and certain of its officers and directors provided Waheed with access to the following confidential documents and information regarding BIM, which contained material facts about BIM

that were not disclosed in the Bid Documents and were not otherwise generally disclosed:

a) its budgets and financial forecasts;

b) its exploration plans;

c) details about BIM's negotiations with the Nunavut Impact Review Board relating to required permits for the development of the Mary River Project as referred to in BIM's January 21, 2011 Press Release which negotiations had been ongoing for nearly five years up to the making of the Initial Offer;

d) materials of the BIM Board;

e) the 2008 Expansion Study;

f) the June 2010 Conceptual Study;

g) a financial model developed by BIM to assess the viability of a road haulage option as an alternative to the larger scale rail haulage option for the transport of iron ore from the Mary River site to port;

h) details about BIM's search for a strategic partner;

i) details about BIM's negotiations with ArcelorMittal; and

j) details about BIM's negotiations with the QIA regarding royalties that BIM would have to pay in respect of the Mary River Project.

Particulars of such material facts are set out in Schedule "B" hereto or elsewhere herein.

32B. Waheed attended weekly management meetings at BIM and meetings of the strategic committee of the BIM Board which consisted of four BIM Board members whose mandate it was to negotiate the terms of a joint venture with ArcelorMittal.

32C. Throughout March and April 2010, Waheed was kept fully apprised of the status of negotiations between BIM and ArcelorMittal and he was actively involved in advising the BIM Board and the Strategic Committee of the BIM Board regarding these negotiations.

32D. Waheed attended a critical BIM Board Meeting on or about March 23, 2010 wherein the BIM Board agreed to execute an exclusivity and confidentiality agreement with ArcelorMittal in furtherance of BIM's negotiations of a joint venture with ArcelorMittal.

32E. As a result of BIM entering the confidentiality and exclusivity agreement with ArcelorMittal, ArcelorMittal provided BIM with a term sheet regarding a proposed joint venture. Waheed was given a copy of this term sheet and subsequent versions of the term sheet following March 23, 2010, and Waheed provided his comments to BIM in respect of same.

32F. In addition, while he was a consultant to BIM, Waheed and senior BIM management employees developed a comprehensive financial model for the purposes of assessing the financial feasibility of the Mary River Project.

32G. The financial model enabled an analysis of the value of the project while varying key data inputs. While he was a consultant at BIM, Waheed used the financial model to assess the economic feasibility of the road haulage option. This comprehensive financial model considered various factors, which were BIM's confidential information, including the grade and type of ore to be extracted at Mary River, processing and transportation costs, capital costs including the cost of building such things as port facilities, the costs of exploration in the project area, and BIM's operating costs. The

model considered BIM's revenues, its tax reserves, anticipated iron ore prices and currency exchange rates and the various royalties the company would have to pay, including the anticipated royalty to be negotiated with the QIA. The model considered anticipated rates of taxation to three levels of government. The many inputs were broken down on a quarterly basis from 2010 to 2029. All of this was used by Waheed and BIM in aid of an assessment of the economic feasibility of the road haulage option. This was all highly confidential and material information about BIM and not generally disclosed.

32H. The product of this comprehensive financial model was the June 2010 Conceptual Study. Mr. Waheed and senior BIM Management started work on this document during March 2010 and it was completed in June 2010, after Mr. Waheed had left BIM as a consultant. The June 2010 Conceptual Study is a comprehensive strategic review of the road haulage option. It was a highly confidential internal BIM document and contained material facts about BIM that were not generally disclosed. As is described more fully below, after he left BIM as a consultant in April 2010, Waheed was given copy of the June 2010 Conceptual Study.

32I. An important piece of information that went into the assessment of the economic feasibility of the Mary River Project was the royalty that would have to be paid to government by BIM. The royalties were the subject of confidential negotiations between BIM and the QIA in 2010. The QIA's positions regarding royalties (that is, what they were prepared to accept) was made known to Waheed as at April 12, 2010 or later. This information was highly confidential to BIM, and a material fact about BIM not generally disclosed.

32J. Waheed's role as a consultant for BIM ended in April of 2010. However, he remained contractually bound to keep in confidence the confidential information he received about BIM's business and affairs throughout the period relevant to this lawsuit and to not use such confidential information for his own personal benefit.

32K. Waheed kept a copy of the comprehensive financial model on his home computer when he left BIM as a consultant.

32L. Waheed was an insider of BIM. He had access to BIM's confidential information, and as detailed more particularly herein, he learned material facts about BIM that were not generally disclosed.

33. On June 10, 2010, while Waheed remained in contact with the BIM Board and the BIM Chief Executive Officer on strategic planning, BIM issued a press release announcing that it was examining a road haulage early stage production option. The road haulage option referred to the transport of iron ore to port *via* trucks, rather than the proposed railway discussed in the 2008 Rail Feasibility Study. In fact, in June 2010, BIM had in hand an extensive internal feasibility study, the June 2010 Conceptual Study, which discussed in great detail the economics of the road haulage option. In a financial summary appearing at page 62 of the June 2010 Conceptual Study, investment returns were set out including an expected return on equity during the 16 year life of the project as follows:

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(8%)	(7%)	(2%)	3%	28%	29%	22%	18%	13%	10%	10%	9%	9%	9%	9%	9%

34. In the course of his work with BIM's Chief Executive Officer and Board, Waheed received and reviewed various confidential reports and information about the Mary River Project, and in particular, the 2008 Expansion Study and the June 2010 Conceptual Study. In addition, he engaged in communications with the BIM Board and the BIM Chief Executive Officer about BIM's strategic planning and the development of the Mary River Project. In so doing, Waheed gained knowledge of BIM's sensitive and highly confidential information, and in particular, information disclosed during BIM's ongoing discussions with ArcelorMittal, information relating to BIM's internal estimates of the resources potential at the Mary River Project and all of the information of BIM's Strategic Committee relating to the proposed BIM / ArcelorMittal joint venture and discussions with other third parties, all as described in the letter of BIM's counsel, Stikeman Elliott LLP, to the OSC dated October 8, 2010. The information learned by Waheed constituted undisclosed material facts about BIM and the Mary River Project. Particulars of the communications and the undisclosed material facts learned through the communications are known to the Defendants.

35. The June 2010 Conceptual Study was not disclosed to holders of BIM Securities, including the Class Members.

36. In the period of time following the expiry of his consulting agreement with BIM on June 15, 2010, until the end of July 2010, Waheed also met with representatives of BIM to discuss a possible proposal by Waheed for the acquisition and/or financing of the Mary River Project. Waheed was advised by representatives of BIM that, while it would evaluate any such proposal, it was pursuing other options, including some with strategic partners, and BIM might become subject to exclusivity provisions which would

preclude it from responding to anything other than an offer made to BIM or its shareholders. Particulars of the forgoing are set out in the following paragraphs.

36A. Following the conclusion of Waheed's formal relationship with BIM as a consultant on April 30, 2010, Waheed retained in his possession confidential information belonging to BIM. In particular, he kept a copy of a financial model which, while he was a consultant, he developed along with BIM senior management. Waheed also kept copies of BIM PowerPoint presentations which he had prepared and used while a BIM consultant.

36B. On or about April 30, 2010, Waheed started having discussions with Barclays about becoming a member of Barclay's senior management team in Canada. At the suggestion of Waheed, these discussions included doing a possible transaction involving BIM.

36C. In June and July 2010, Waheed actively sought information about BIM from its senior management. He approached BIM management on a number of occasions to request updates in respect of the company, including the status and details of its negotiations with ArcelorMittal. Waheed advised McCloskey and Dimitrov that he had spent some time in New York with a private equity fund, and that he was working on putting a proposal together for the Mary River Project.

36D. On or about June 9, 2010, Waheed met with Dimitrov. At this meeting, Dimitrov provided Waheed with up-to-date information about: the joint venture negotiations between ArcelorMittal and BIM; and the June 2010 Conceptual Study which BIM was still working on. He also conveyed to her his intention to trade in BIM securities.

36E. On or about July 12, 2010, Waheed e-mailed McCloskey to request a meeting to discuss the June 2010 Conceptual Study. Waheed wrote:

> "The last time we met, you were expecting the final numbers on the trucking option to come out soon. I would love to talk to someone about them and update my sense of capital and operating parameters (I continue to be covered by the confidentiality agreement)."

36F. On or about July 13, 2010, Waheed met with Dimitrov and advised her of his intention to trade in BIM Securities. She then provided him material information about BIM that was not generally disclosed. She provided Waheed with one or more of the:

a) copy of the June 2010 Conceptual Study;

b) a BIM capital cost summary schedule;

c) a BIM operating cost summary schedule;

d) BIM's internal rates of return for the Mary River Project.

36G. At this meeting, Waheed learned from Dimitrov that:

a) BIM had terminated its exclusivity agreement with ArcelorMittal;

b) There was a "higher offer on the table" to BIM from ArcelorMittal as compared to the last offer from ArcelorMittal which he had seen earlier;

c) BIM was an advanced stage of negotiations with ArcelorMittal;

d) A new exclusivity agreement would soon be in place with ArcelorMittal and if Waheed was going to make a firm proposal, he should do so quickly before BIM entered a further exclusivity agreement with ArcelorMittal.

36H. Waheed subsequently learned that BIM executed a second exclusivity agreement with ArcelorMittal on or about August 10, 2010 which was to run until October 15, 2010.

36I. The documents and information provided to Waheed as detailed in paragraphs 36A through 36H herein as to the status and details of the negotiations between BIM and ArcelorMittal about a potential joint venture, contained or were themselves material facts that were not generally disclosed. The fact that ArcelorMittal was in advanced negotiations with Baffinland, as evidenced by the revised and improved term sheet and the parties executing a second exclusivity agreement, would reasonably be expected to have a significant effect on the market price or value of BIM's securities. Waheed's receipt of all of this information was subject to his obligation to maintain the confidentiality of this information and not to use it for his personal benefit.

37. On July 12, 2010, BIM publicly disclosed that it had retained the engineering consultants AMEC to complete a definitive feasibility study for a road haulage option for the Mary River Project. The press release stated that the study was expected to be completed before the end of 2010.

38. In fact, and as described below, AMEC's 2011 Road Feasibility Study was completed as of January 13, 2011, but not released to the public by BIM until February 28, 2011, 11 days after the Joint Bid expired.

39. During July 2010, Waheed and the defendant Walter agreed to work together with respect to a possible transaction involving BIM and, in furtherance of this, during July and August 2010, they approached and met with various potential sources of funding for their proposed transaction including Barclays Natural Resources Investment Fund and the Energy and Minerals Group. The EMG Funds would provide financing for the Nunavut take-over bid for BIM.

39A. Sometime between approximately July 13, 2010 and July 19, 2010 Waheed took the updated data from the June 2010 Conceptual Study and other information provided to him on or about July 13, 2010 by Dimitrov, and entered it into the comprehensive financial model which he took from BIM and kept on his home computer, in order to generate a fresh feasibility analysis of the Mary River Project.

39B. Waheed conveyed to Walter and EMG Funds this confidential information and analyses relating to BIM and the Mary River Project. Waheed, Walter and EMG Funds knew that this was material information about BIM that had not been generally disclosed, and it was based on this information that EMG Funds agreed to provide funding for a transaction involving BIM.

40. On August 27, 2010, Nunavut was incorporated by Waheed and others for the purposes of launching a take-over of BIM. Iron Ore Holdings was also formed at or about the same time for the purposes of holding Nunavut as it undertook a take-over bid for BIM. Iron Ore Holdings was owned by Waheed, Walter and the EMG Funds. At the material time, Waheed was the President and Chief Executive Officer of Nunavut and the Chief Executive Officer of Iron Ore Holdings' general partner, Iron Ore Holdings GP, LLC.

41. Given his new position with Nunavut and Iron Ore Holdings, the undisclosed material facts about BIM and the Mary River Project which were imparted to Waheed by BIM only a few weeks earlier became undisclosed material facts about BIM and the Mary River Project within the knowledge of Nunavut and Iron Ore Holdings.

ArcelorMittal Negotiates Potential Joint Venture with BIM, Then Launches Take-Over Bid

42. In late 2009, ArcelorMittal and BIM engaged in negotiations in respect of a potential transaction involving BIM securities and the Mary River Project which negotiations continued into 2010. A confidentiality agreement was entered on March 23, 2010 which granted ArcelorMittal a period of exclusivity and limited BIM's ability to pursue alternative transactions, and permitted the parties to conduct due diligence and to negotiate definitive transaction documents.

42A. Shortly after joining BIM as a consultant on February 18, 2010, Waheed met and spoke extensively with Dimitrov about BIM's negotiations with ArcelorMittal regarding a potential joint venture. Dimitrov provided Waheed with one or more of the following:

a) a detailed chronology of the negotiations between the parties;

b) presentations made to the Baffinland Board by CIBC World Markets Inc. ("CIBC"), Baffinland's financial advisor in the negotiations;

c) Baffinland's presentations to ArcelorMittal; and

d) proposals and term sheets exchanged between the parties.

All of this was confidential, material information about BIM that was not generally disclosed.

42B. As the negotiations between BIM and ArcelorMittal progressed in March and April 2010, Waheed was kept fully apprised of the status of the negotiations and was actively involved in discussing and providing input on BIM's strategy in the negotiations. He also assisted senior management in preparing a presentation to ArcelorMittal.

42C. In mid-March 2010, Waheed learned that ArcelorMittal was very serious about moving ahead with a transaction with BIM as it had hired financial advisors and legal counsel for the transaction.

42D. As pleaded above, Waheed was present at the March 23, 2010 BIM Board meeting during which it was agreed that BIM would enter into an exclusivity agreement with ArcelorMittal until August 12, 2010.

42E. Waheed was also aware of ArcelorMittal's proposed terms. On April 4, 2010, ArcelorMittal provided BIM with a new term sheet for the potential joint venture. This term sheet formed the basis for ongoing negotiations between the parties and ArcelorMittal conducting its due diligence in the summer of 2010. Waheed reviewed this term sheet and provided advice to BIM on the proposal.

43. Discussions regarding a potential joint venture between ArcelorMittal and BIM regarding the Mary River Project continued through July and August 2010 and the confidentiality agreement of March 23, 2010 was amended so that ArcelorMittal might engage in a comprehensive due diligence review of the Mary River Project. As particularized above, Waheed was made aware by Dimitrov and others of developments in the BIM negotiations with ArcelorMittal.

44. During 2009 and 2010 when it undertook its comprehensive due diligence of BIM as it considered a joint venture agreement about the Mary River Project, ArcelorMittal also gained knowledge of undisclosed material facts about BIM. ArcelorMittal gained knowledge of undisclosed material facts contained in the 2008 Expansion Study and the June 2010 Conceptual Study.

44A. In fact, by mid-September of 2010, ArcelorMittal and BIM had reached an agreement in principle for a joint venture to develop the Mary River Project. That agreement provided for ArcelorMittal to make a substantial investment in the development of the Mary River Project and for BIM to remain a public company and owner of a substantial stake in the Mary River Project. Waheed was aware of this proposed arrangement prior to the delivery of the Nunavut bid on September 22, 2010.

44B. The facts relating to ArcelorMittal's negotiations with BIM and the proposed joint venture agreement were material facts about BIM that were not generally disclosed.

THE TAKE-OVER OF BAFFINLAND

45. On or about September 22, 2010, approximately four months after Waheed purportedly finished his work advising the BIM Board and Chief Executive Officer on financial and strategic planning and the development of the Mary River Project, Waheed's new companies, Nunavut and Iron Ore Holdings, made a take-over bid for all of the outstanding BIM Common Shares for $0.80 per Common Share.

45A. The Nunavut bid was intended to, and did, pre-empt the completion and announcement of the joint venture transaction between BIM and ArcelorMittal, which was scheduled to be announced on September 30, 2010. That agreement would have been substantially more advantageous to Class Members than the Joint Bid ultimately consummated.

46. On or about November 12, 2010, ArcelorMittal, by way of the Original Circular, made a competing take-over bid for all outstanding BIM Common Shares and 2007 Warrants for $1.10 per Common Share and $0.10 per 2007 Warrant.

47. On or about January 14, 2011, ArcelorMittal, Nunavut and Iron Ore Holdings joined forces and made the Joint Bid, offering to purchase all of the outstanding BIM Common Shares and 2007 Warrants for $1.50 per Common Share and $0.10 per 2007 Warrant.

48. On February 17, 2011, the Joint Bid expired with BIM securityholders tendering 325,192,869 Common Shares and 4,530,824 2007 Warrants, representing 93% of outstanding Common Shares and 76% of outstanding 2007 Warrants.

49. On March 25, 2011, pursuant to the Plan of Arrangement, all of the BIM Securities which were not tendered pursuant to the Joint Bid were acquired by 1843208, which, at the time of the Joint Bid, was owned 70% by ArcelorMittal and 30% by Iron Ore Holdings.

50. As a result of the successful Joint Bid, and subsequent Plan of Arrangement whereby the Offerors acquired, directly or indirectly, all of the outstanding BIM Securities, the Offerors acquired the exclusive right to exploit the significant resources of the Mary River Project.

51. On March 31, 2011, BIM was de-listed by the TSX.

52. The defendants McCloskey, Lydall and Dimitrov, being the three BIM officers and directors who signed the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices recommending acceptance of the Joint Bid, earned the following on the completion of the Joint Bid:

Name	Position	Number of Common Shares	Common Share Value at $1.50	Number of Options Held	Option Value at $1.50 Less Reported Exercise Price	Financial Benefit from Joint Bid
Daniella E. Dimitrov	Director and Vice-Chair	Nil	Nil	775,000	$748,500	$748,500
John Lydall	Director	2,111,484	$3,167,226	328,000	$366,790	$3,534,016
Richard D. McCloskey	Director, Chairman, Acting President and CEO	8,347,066	$12,520,599	456,000	$512,140	$13,032,739

53. The particulars of the options held by Dimitrov, Lydall and McCloskey referred to in the chart above are as follows:

Name	Number of Options	Exercise Price	Date Granted	Expiry Date
Daniella E. Dimitrov	400,000	$0.58	April 30, 2010	April 30, 2015
	175,000	$0.56	February 23, 2010	February 23, 2015
	200,000	$0.42	June 9, 2009	June 9, 2014
John Lydall	91,000	$0.56	February 23, 2010	February 23, 2015
	150,000	$0.35	March 24, 2009	March 24, 2014
	87,000	$0.25	January 6, 2009	January 6, 2014
Richard D. McCloskey	106,000	$0.56	February 23, 2010	February 23, 2015
	250,000	$0.35	March 24, 2009	March 24, 2014
	100,000	$0.25	January 6, 2009	January 6, 2014

54. As pleaded elsewhere, in late 2009, ArcelorMittal and BIM engaged in negotiations in respect of a potential transaction involving BIM securities and the Mary River Project which negotiations continued into 2010. As set out in the table immediately above, many of the options granted to Dimitrov (575,000), Lydall (91,000) and McCloskey (106,000) were granted at prices of $0.56 and $0.58 per Common Share, at a time when BIM was negotiating a joint venture development of the Mary River Project with ArcelorMittal.

55. BIM disclosed in its management information circular dated May 6, 2010 that all options granted under its option plan become unconditionally exercisable as to one quarter immediately on the date of the grant of such options, an additional one quarter six months after the date of grant, an additional one quarter twelve months after the date of grant and the remaining one quarter eighteen months after the date of grant.

56. Pursuant to the Support Agreement between ArcelorMittal and BIM dated November 8, 2010, all stock options issued pursuant to BIM's stock option plan would vest no later than the take-up date of the ArcelorMittal offer. This accelerated vesting of BIM options issued under the stock option plan applied to many of the options held by Dimitrov, Lydall and McCloskey as described above. As a result of the accelerated vesting and the Joint Bid, these three directors received substantial cash payments for their options earlier than would otherwise have been the case had BIM not been taken over by the Offerors.

MISREPRESENTATIONS IN THE BID DOCUMENTS

57. The Bid Documents, which included the Original Circular (as amended by the Amending Notices issued by the Offerors), the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices, all as issued by the BIM Board, were the fundamental disclosure documents whereby holders of BIM Securities, including the Plaintiffs and the Class Members, were to have received material information about BIM in order that they might make an informed decision as to whether to tender their shares pursuant to the Joint Bid or otherwise dispose of their BIM Securities.

58. Pursuant to the *OSA* and the Other Canadian Securities Acts, and the regulations thereunder, the Defendants were required to ensure that the Bid Documents were free of any misrepresentation, as that term is used in the *OSA* and the Other Canadian Securities Acts.

59. "Misrepresentation" is defined by section 1(1) of the *OSA* as:

> (i) an untrue statement of material fact; or
>
> (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

60. "Material Fact" is defined by section 1(1) of the *OSA* as:

> ... a fact that would reasonably be expected to have a significant effect on the market price or value of the securities.

61. Each of the Bid Documents contained a certificate, signed by officers and directors of the company or board on whose behalf the circular or notice was issued, to the following effect:

> The forgoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

A particularized list of the Bid Documents, identifying the Individual Defendants who signed the certificates, is attached as Schedule "A" hereto.

62. The Bid Documents contained misrepresentations in that they did not state material facts that were required to be stated or that were necessary to make statements not misleading in light of the circumstances in which they were made, as described in paragraphs 63 to 73 hereof.

63. The Bid Documents failed to disclose the contents of the 2008 Expansion Study and the fact that the Offerors had knowledge of the contents of the 2008 Expansion Study.

64. The Bid Documents failed to disclose the contents of the June 2010 Conceptual Study and the fact that the Offerors had knowledge of the contents of the June 2010 Conceptual Study.

65. The Bid Documents failed to disclose the contents of the 2011 Road Feasibility Study and the fact that the Offerors had knowledge of the contents of the 2011 Road Feasibility Study.

66. On November 12, 2010, the BIM Board stated in the ArcelorMittal Directors' Circular that the BIM Board unanimously recommended to BIM securityholders (including the Plaintiffs and the Class Members) that they accept the Initial ArcelorMittal Offer to purchase all BIM Common Shares for $1.10 per Common Share and all BIM 2007 Warrants for $0.10 per 2007 Warrant. In so doing the following representations were made:

> "Following the announcement of the Nunavut Offer on September 22, 2010, the Board formed a Special Committee of independent directors comprised of John Lydall (Chair), Grant Edney and Ronald S. Simkus to review the Unsolicited Offer and make recommendations to your Board regarding the Unsolicited Offer and other alternatives available to the Company. At this meeting, your Board also resolved to amend and extend CIBC's existing engagement to include providing advice to your Board and the Special Committee in connection with the Unsolicited Offer, including soliciting alternatives thereto, and if requested, preparing and delivering its opinion as to the adequacy or fairness of the Unsolicited Offer.
>
> ...
>
> [S]ince the announcement of the Nunavut Offer, the Special Committee, together with its financial advisor CIBC World Markets Inc., and its legal advisor Stikeman Elliott LLP, spent a

> considerable amount of time and effort exploring and discussing alternative value enhancing transactions that would be in the best interests of Baffinland and its Shareholders. CIBC World Markets Inc. contacted forty-five potential buyers or joint venture partners, ten of whom entered into a confidentiality and standstill agreement to facilitate the exchange of information and/or engaged in an active dialogue with CIBC World Markets inc. and Baffinland.
>
> ...
>
> In making its recommendation, the Board received the unanimous recommendation of the Special Committee consulted with its legal and financial advisors, and carefully reviewed, considered and deliberated all aspects of the ArcelorMittal Offer. The Board of Directors identified a number of factors set out below as being the principal reasons for the **UNANIMOUS** recommendation of the Board that Shareholders and 2007 Warrantholders **ACCEPT** the ArcelorMittal Offer and **TENDER** their Common Shares and 2007 Warrants to the ArcelorMittal Offer."
>
> [Emphasis in original]

These statements were materially misleading in that the BIM Officers and Directors failed to disclose in the ArcelorMittal Directors' Circular material facts that were necessary to be stated to make the ArcelorMittal Directors' Circular not misleading. In particular:

(a) While it may have been technically correct that the BIM Board unanimously recommended acceptance of the Initial ArcelorMittal Offer on November 12, 2010, former BIM Chief Executive Officer and former BIM Board member, Gordon McCreary, resigned from the BIM Board on November 5, 2010 because he would not recommend to holders of BIM Securities acceptance of the Initial ArcelorMittal Offer which he believed to be far too low. Mr. McCreary believed that a much better offer could be achieved from Chinese or other interests with whom he had been dealing. These material facts should have been disclosed in the ArcelorMittal Directors' Circular for the benefit of holders of BIM

Securities, including the Plaintiffs and the Class Members, as they assessed the offer.

(a.1) The representation in the ArcelorMittal Directors' Circular that the Special Committee was comprised of independent directors was intended to convey and in fact did convey that the BIM Board was basing its recommendation to accept the ArcelorMittal Offer on, among other things, the independent advice of the independent Special Committee, when in fact the Special Committee was not independent because defendant Dimitrov, who was not an independent director, was a regular and active participant in the meetings and deliberations of the Special Committee and in fact advised and influenced the Special Committee throughout the bid process on, among other things, whether to accept the ArcelorMittal Offer, and whether to enter the Support Agreement with ArcelorMittal which she herself negotiated. Contrary to the representations of the Board, the Special Committee was robbed of its independence by the involvement of Dimitrov. That the Special Committee was not independent and the reasons therefore should have been disclosed in the ArcelorMittal Directors' Circular for the benefit of holders of BIM Securities, including the Plaintiffs and the Class Members, as they assessed the offer.

(a.2) The representation in the ArcelorMittal Directors' Circular that "[S]ince the announcement of the Nunavut Offer... CIBC World Markets Inc. contacted forty-five potential buyers or joint venture partners, ten of whom entered into a confidentiality and standstill agreement to facilitate the exchange of information and/or engaged in an active dialogue with CIBC World Markets Inc. and

Baffinland", in the context within which it was made, was intended to convey and in fact did convey the described level of activity occurred during the period of time between September 22, 2010 (the announcement of the Nunavut Offer) and November 12, 2010 (the date of the ArcelorMittal Directors' Circular) when in fact the level of activity described took place during the almost three year period of time beginning in early 2008 when BIM first retained CIBC World Markets Inc. to assist them in securing a joint venture partner. That the Special Committee and its financial advisor CIBC World Markets Inc. were not nearly as active in soliciting other interest in BIM following the Nunavut Offer, and instead the BIM Board, the Special Committee and CIBC World Markets Inc. concentrated almost exclusively on the competing bid of ArcelorMittal should have been disclosed in the ArcelorMittal Directors' Circular for the benefit of holders of BIM Securities, including the Plaintiffs and the Class Members, as they assessed the offer.

(b) When the BIM Board recommended acceptance of the Initial ArcelorMittal Offer, they did so principally on the basis that it represented a premium on the recent trading price of BIM Securities and that the BIM Board received an opinion from CIBC that the offer was "fair, from a financial point of view". The ArcelorMittal Directors' Circular failed to disclose why the BIM Board's assessment of the Initial ArcelorMittal Offer was based on different criteria from its assessment of the Initial Nunavut Offer five weeks earlier on October 7, 2010. In particular, the BIM Board recommended rejection of the Initial Nunavut Offer because, among other things, the Initial Nunavut Offer: "significantly

undervalues Baffinland and its Mary River Property", including on the basis that a conservative estimate by equity research analysts of BIM's net asset value ("NAV") was $3.34 per Common Share; was "at a significant discount to precedent transaction multiples"; was "inadequate, from a financial point of view", according to an opinion received from CIBC; and was "highly opportunistic". The BIM Board reached those conclusions, at least in part, in reliance on a detailed value analysis prepared by CIBC for the BIM Board. Had the same criteria been applied to the Initial ArcelorMittal Offer, the BIM Board should have come to the same conclusion as they did with the Initial Nunavut Offer, and that is it should have been rejected. An explanation as to why the BIM Board changed its assessment criteria, and what its recommendation would have been had it used the same assessment criteria as it did with the Initial Nunavut Offer, was necessary in order to make the ArcelorMittal Directors' Circular not misleading.

(c) As was the case for the Nunavut Directors' Circular, an opinion was solicited by the BIM Board from CIBC about the Initial ArcelorMittal Offer. However, instead of asking CIBC to assess the Initial ArcelorMittal Offer on the same terms as they assessed the Initial Nunavut Offer – namely, whether the offer was "adequate" – CIBC was instead asked to assess whether the Initial ArcelorMittal Offer was "fair". Whereas CIBC opined that the Initial Nunavut Offer was "inadequate", they opined that the Initial ArcelorMittal Offer was "fair, from a financial point of view." An explanation as to why the BIM Board asked CIBC to change its assessment criteria, and what CIBC's opinion would have been had

they used the same assessment criteria on the Initial ArcelorMittal Offer as they did on the Initial Nunavut Offer, was necessary in order to make the ArcelorMittal Directors' Circular not misleading.

(d) The BIM Board, and in particular the BIM Officers and Directors, intentionally favoured the Initial ArcelorMittal Offer from the outset, and recommended acceptance of it to BIM securityholders, when they knew it was wholly inadequate, just as they recommended acceptance of the Joint Bid when they knew it to be wholly inadequate. As was the case with the Initial Nunavut Offer, the Joint Bid "significantly undervalues Baffinland and its Mary River Property"; was "at a significant discount to precedent transaction multiples"; and was "highly opportunistic". The ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices should have included these honest and objective assessments from the BIM Board in order to make these circulars not misleading.

67. On January 13, 2011, BIM issued the January 13, 2011 Press Release and followed up by filing the Material Change Report of that same date, both purporting to report on the results of the 2011 Road Feasibility Study. The January 13, 2011 Press Release and the Material Change Report stated that the 2011 Road Feasibility Study was based on a production level of 3 million tonnes annually with a mine life of 20 years. It went on to say that, on an owner-operated basis, the net present value of the project was approximately $1.4 billion pre-tax and approximately $1 billion after-tax based on average sales prices of US$120 per tonne for lump iron ore and US$94 per tonne for

fines. It also stated that the proven and probable mineral reserves for the 2011 Road Feasibility Study were 60.7 million tonnes.

68. This is to be contrasted with the 2008 Rail Feasibility Study, the only other definitive study made available to shareholders, which stated that the Mary River Project had proven and probable reserves of 365 million tonnes and a net present value of the project of approximately $5 billion pre-tax and around $2.7 billion after-tax based on average sales prices of US$67 per tonne for lump iron ore and US$55 per tonne for fines.

69. The January 13, 2011 Press Release and the Material Change Report which followed also included the following statement:

> The reserves for the RHFS [the 2011 Road Feasibility Study] reflect a very limited conversion of in-pit measured and indicated resources to reserves; less than what was contemplated and generated in 2008 for the Rail Definitive Feasibility Study, which contemplates transporting the iron ore south by rail to the proposed Steensby port site ("Rail Study"). **The 2008 mineral reserves of 365 million tonnes grading 64.7% iron; as defined by the "*Technical Report of the Definitive Feasibility Study, Aker Kvaerner, February 2008*" [the 2008 Rail Feasibility Study] have been superseded by the RHFS and the new economic and technical data have rendered the 2008 reserves as no longer valid.** As the Company updated current technical and economic criteria for the RHFS, the result is a single mineral reserve at Deposit No. 1 based upon these criteria. The RHFS reserves are part of the former larger reserve that was defined as part of the Rail Study and are not accretive.
>
> [Emphasis added.]

70. In the January 17, 2011 Notice of Change recommending acceptance of the Joint Bid, the BIM Directors incorporated the January 13, 2011 Press Release by reference into the document. The January 17, 2011 Notice of Change stated, in part:

> *Recent Developments Concerning Baffinland's Mary River Project*
>
> On January 13, 2011, Baffinland issued a press release (the "RHFS Press Release") announcing the results of the feasibility study on the Road

> Haulage Project Option (the "RHFS") [the 2011 Road Feasibility Study] relating to its 100%-owned Mary River Project. The RHFS contemplates trucking iron ore northwest along the existing 100 kilometre Milne Inlet tote road 300-days per year and shipping iron ore using market vessel ships during an approximate 90-day open water season in Milne Inlet. Mining and shipping targets 3 million tonnes of lump and fine iron ore production per annum and production is expected to be 75% high quality lump iron ore and 25% premium quality fine iron ore (sinter feed). Baffinland's lump and fine iron ores are expected to grade greater than 66% iron over the twenty-year life of production. As noted in the RHFS Press Release, ***Baffinland expects that production would start in 2013 with approximately 1 million tonnes of iron ore being shipped***. This is the earliest date that production could be achieved assuming that the environmental assessment process is complete and permits are received by the second half of 2012. ***Full production of 3 million tonnes per annum is expected to commence in 2014 over an anticipated mine life of 20 years***.
>
> As stated in the RHFS Press Release, the reserves set forth in the RHFS reflect a very limited conversion of in-pit measured and indicated resources to reserves; less than what was contemplated and generated in 2008 for the Rail Definitive Feasibility Study [the 2008 Rail Feasibility Study], which contemplates transporting the iron ore south to the proposed Steensby port site. ***The 2008 mineral reserves, as defined by the "Technical Report of the Definitive Feasibility Study, Aker Kvaerner, February 2008", have been superseded by the RHFS and the new economic and technical data have rendered the 2008 reserves as no longer valid***. Baffinland security-holders should read the RHFS Press Release in its entirety for further information concerning the results of the RHFS. This description of the RHFS Press Release (including the results of the RHFS set out herein) is intended to be a summary only and is qualified in its entirety by the full text of the RHFS Press Release (including the assumptions, qualifications and limitations described therein), a copy of which has been filed on SEDAR.
>
> [Emphasis added.]

71. The foregoing statements regarding BIM's expectations regarding anticipated production pursuant to the 2011 Road Feasibility Study, the fact that the 2008 Rail Feasibility Study was superseded by the 2011 Road Feasibility Study, and the fact that reserve data from the 2008 Rail Feasibility Study were no longer valid, were untrue and materially misleading statements in that:

a) at the time the statements were made on January 13 and January 17, 2011, it was not BIM's expectation that production pursuant to the 2011 Road Feasibility Study would start in 2013 with approximately 1 million tonnes of iron ore being shipped or that production of 3 million tonnes per annum was expected to commence in 2014 over an anticipated mine life of 20 years. Rather, it was and remains BIM's expectation and intention that the 2008 Rail Feasibility Study, or some iteration of same, like the 2008 Expansion Study, involving a rail haul option and production in excess of 20 million tonnes per year actually defined BIM's intended operations and expected production from the Mary River Project; and

b) the 2011 Road Feasibility Study, when it was released on February 28, 2011, 11 days after the Joint Bid expired, did not say that 2008 reserve data was no longer valid, rather it spoke of a significant upside to the Mary River Project by integrating the very substantial 2008 reserves into the road option study.

72. The true state of BIM's business and the potential of the Mary River Project was known by BIM and made known by BIM to the Offerors, but not disclosed by the Defendants to the Plaintiffs and the Class Members as required by law.

73. During the Class Period, it was the intention of BIM and the Offerors to fully develop the Mary River Project in a manner consistent with the 2008 Rail Feasibility Study and/or the 2008 Expansion Study, and not limit the development of the Mary River Project to the much smaller road haul option, contrary to the representations made to the Plaintiffs and the Class Members in the Bid Documents.

UNDISCLOSED MATERIAL FACTS WITHIN THE OFFERORS' KNOWLEDGE

74. The undisclosed material facts about BIM that were within the knowledge of the Offerors were material facts contained in or concerning the following:

(a) the 2008 Expansion Study;

(b) the June 2010 Conceptual Study;

(c) the January 2011 Draft Environmental Impact Statement;

(d) the 2011 Road Feasibility Study;

(e) BIM's budgets and financial forecasts;

(f) BIM's exploration plans;

(g) details about BIM's negotiations with the Nunavut Impact Review Board relating to required permits for the development of the Mary River Project as referred to in BIM's January 21, 2011 Press Release which negotiations had been ongoing for nearly five years up to the making of the Initial Offer;

(h) materials of the BIM Board;

(i) details about BIM's search for a strategic partner;

(j) details about BIM's negotiations with ArcelorMittal;

(k) details about BIM's negotiations with the QIA regarding royalties that BIM would have to pay in respect of the Mary River Project;

(l) a financial model developed by BIM to assess the economic viability of a road haulage option as an alternative to the larger scale rail haulage option for the transport of iron ore from the Mary River site to port;

(m) BIM's capital cost summary schedule;

(n) BIM's operating cost summary schedule; and

(o) BIM's internal rates of return for the Mary River Project.

74A. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, contained in certain of the above documents or concerning certain of the above matters are set out in Schedule "B" hereto or elsewhere herein.

75. This information and documentation included critical technical and/or financial feasibility studies about the Mary River Project and were among a great volume of undisclosed material information about BIM that was made available to the Offerors, but not the Plaintiffs or the Class Members, by BIM.

76. As described above, the 2008 Expansion Study and the June 2010 Conceptual Study were made available to Nunavut and ArcelorMittal prior to their original offers of September 22, 2010 and November 12, 2010, respectively. They have never been publicly disclosed.

77. The 2011 Road Feasibility Study was made available to the Offerors before the expiry of the Joint Bid. It was only disclosed to the public after the expiry of the Joint Bid.

78. On January 21, 2011, BIM issued a press release announcing submission of a Draft Environmental Impact Statement for the Mary River Project. In the press release the following is stated:

> The DEIS [the January 2011 Draft Environmental Impact Statement] considers a cumulative 21 million tonne per annum iron ore mine located at Mary River on North Baffin Island, consisting of a preferred 18 million tonne per annum railway and a year-round port alternative that would entail shipping iron ore from the proposed Steensby Inlet Port, south of the Mary River Property, and a road haulage option alternative of 3 million tonnes per annum that entails shipping in the open water season from port facilities at Milne Inlet, northwest of the Mary River Property.

79. The January 2011 Draft Environmental Impact Statement actually filed by BIM with the Nunavut Impact Review Board stated the following:

> Shipping 12 months of the year is the only commercially viable alternative. As a result, the Steensby Port option is the only economically viable alternative for a production rate of 18 to 21 Mt/a. The Milne port option offers only a 3 to 4 month shipping season without ice breaking increasing the ocean freight cost significantly for 18 to 21 Mt/a of ore production. The Project would not be commercially competitive with iron ore suppliers in Brazil with only an open water shipping season.
>
> [...]
>
> The feasibility of shipping about 3 Mt/a from Milne Inlet is currently under study. It could potentially supplement year round shipping and would offer an opportunity to produce revenues about two years sooner than shipping from Steensby Inlet.

80. The January 2011 Draft Environmental Impact Statement formed no part of the disclosure provided to the Plaintiffs or Class Members during the bid period, or at all, and contradicts the Bid Documents which, as is explained in paragraphs 88, 88A, 88B, and 88C, below, adopted BIM's public disclosure advising the Plaintiffs and Class Members that the reserve data from the 2008 Rail Feasibility Study was no longer valid, and that the 2008 Rail Feasibility Study was superseded by the 2011 Road Feasibility Study.

81. On February 8, 2011, an ArcelorMittal officer at the 2010 ArcelorMittal fourth quarter earnings conference call told analysts that the BIM project was virtually guaranteed to make a profit:

> The iron ore price that would justify the acquisition of Baffinland is I believe at price that we will likely never see. The operating costs at Baffinland are potentially so low, once the project is built, that this project can produce a profit through any cycle. But certainly at long term prices in the order of $50 to $60, this project makes a lot of money.

82. The 2011 Road Feasibility Study projected an average long term price forecast for Mary River iron ore of US$120 per tonne. What the ArcelorMittal officer was saying on the February 8, 2011 fourth quarter earnings conference call was that the Mary River Project was virtually guaranteed to make a lot of money with ore prices at $50 to $60 a tonne. Because the long range price of iron ore was projected to be $120 per tonne, this project would make a substantial profit through any business cycle. This statement formed no part of the disclosure provided to the Plaintiffs or the Class Members during the bid period, or at all.

82A. The fact of ongoing negotiations between ArcelorMittal and BIM of a joint venture agreement for the development of the Mary River Project was also an undisclosed material fact in the possession of the Defendants which was not disclosed at the time of the Nunavut takeover bid on September 22, 2010 or thereafter as it ought to have been.

THE TRUTH IS REVEALED AFTER THE JOINT BID CLOSED

83. On February 28, 2011, BIM finally released the 2011 Road Feasibility Study, 46 days after the January 13, 2011 Press Release which purported to summarize it, and 11 days after the expiry of the Joint Bid. Rather than stating that the earlier reserve data was no

longer valid, and that the rail option was no longer being pursued, the 2011 Road Feasibility Study stated:

> AMEC notes that the 2008 feasibility study, which was based on an assumption of using rail transport, evaluated a larger area of mineralization than the current study. There ***remains significant upside Project potential in Deposit No. 1 if this mineralization can be integrated into the current study.***
>
> [...]
>
> This AMEC Trucking FS only considers upgrading a limited and initial 60Mt from these mineral resources into reserves as directed by BIM. The current assumption by BIM as the basis for this Study is that after the initial 60MT have been mined, ***the balance of mineral resources will then be removed by rail transport to the coast as per the Aker FS (2008). The pit shells used to report Mineral Resources in this report are based on rail costs associated with the 18Mtpa throughput rate defined in the Aker FS (2008).***
>
> [...]
>
> There is some additional upside ***if the rail scenario considered in the superseded 2008 feasibility study can be integrated into this trucking option feasibility study.***
>
> [Emphasis added.]

84. The 2011 Road Feasibility Study has an effective date of January 13, 2011, and was purportedly signed on February 15, 2011, yet BIM chose not to release it until February 28, 2011, 11 days after the expiry of the Joint Bid.

85. On April 15, 2011 BIM wrote to the Nunavut Impact Review Board and advised that:

> Taking into consideration the Feasibility Study released in January 2011, and the likelihood that the pre-conference hearings currently scheduled for July will likely be delayed if the Company sought incorporating the road haulage alternative into the existing Mary River environmental assessment process, Baffinland has decided not to seek a modification of the Project as part of the NIRB process. As such Baffinland will proceed with a project in line with the originally presented development proposal (sent to NIRB on March 14, 2008).

86. The feasibility study referred to by BIM in its April 15, 2011 letter to the Nunavut Impact Review Board, and which formed the basis of BIM's decision to purportedly abandon the road haul option and revert to the rail option, was not made available to the Plaintiffs or the Class Members in January 2011. Rather, and as stated above, the 2011 Road Feasibility Study was not publicly disclosed until February 28, 2011, 11 days after the Joint Bid expired.

87. On April 19, 2011, BIM stated that it was not pursuing the road option, at all; and that the rail option was the only choice for the development of the Mary River Project. This statement was made by BIM's Senior Vice President, Corporate Affairs Greg Missal in discussions with reporters following an information session at Iqaluit's Parish Hall in Iqaluit, Nunavut Territory when he said:

> [T]he company now plans to ship exclusively via a railway connecting the mine with a port at Steensby Inlet.
>
> [R]esults from an internal feasibility study on the road option weren't promising, and the project would have required changes to Baffinland's application to the Nunavut Impact Review Board, a process that's now half done.
>
> [R]ail is the most efficient way to move the 21 million tonnes of iron ore BIM expects to ship out of Mary River every year.
>
> Transportation of iron ore comes down to movement of volume, which is why rail is there.
>
> In order for Mary River to operate efficiently we need to move a high volume of material efficiently, and that's how we are going to do it.

88. The original Take-Over Bid Circulars issued by the each of the Offerors stated that:

> The Offeror has no knowledge of any material fact concerning the securities of Baffinland that has not been generally disclosed by Baffinland, or any other matter that is not disclosed in the Circular and that has not previously been generally disclosed, and that would reasonably be

> expected to affect the decision of the shareholders to accept or reject the Offer

88A In doing so, the Offerors represented that that unless they specified otherwise, the contents of BIM's public disclosures was correct and that they had nothing to add to them.

88B A Notice of Variation and Extension announcing the Joint Bid issued by the Offerors on January 14, 2011 contained certifications that:

> The foregoing, together with the Original Offer and Circular and the Prior Notices, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.

88C The January 14, 2011 Notice of Variation and Extension adopted and brought up to date the Offerors' earlier adoption of BIM's public disclosures.

88D Contrary to what the Plaintiffs and the Class Members were told by BIM, and certified as correct by all of the Defendants pursuant to the Offerors' adoption of BIM's public disclosure that prior to the Joint Bid closing, that the 2008 Rail Feasibility Study was superseded by the 2011 Road Feasibility Study, and that the 2008 reserve data were no longer valid, in fact:

a) BIM and the Offerors, during the material period of time, always intended to develop the rail option for the purposes of exploiting the full reserve potential of the Mary River Project, and not the road option;

b) the reserves for the project were at least 365 million tonnes of iron ore, not the 60.7 million tonnes of iron ore referred to in January 13, 2011 Press Release and the Material Change Report;

c) BIM and the Offerors were not planning on a production rate of 3 million tonnes of ore annually; rather, they were planning on a production rate of at least 21 million tonnes of ore annually;

d) the net present value of the Mary River Project was not approximately $1.4 billion pre-tax and approximately $1.0 billion after tax (which values were based on average sales prices of US$120 per tonne for lump iron ore and US$94 per tonne for fines); rather, it was greatly in excess of $5 billion pre-tax and $2.7 billion after-tax (which values were based on average sales prices of US$67 per tonne for lump iron ore and US$55 per tonne for fines estimated in 2008); and

e) the Offerors believed that, given that the Mary River Project was the largest lump ore deposit in Canada and possibly in the world, the share value of BIM could be in excess of $10.

BIM and the BIM Officers and Directors Breached the *OSA*

89. The January 13, 2011 Press Release and the Material Change Report contained misleading or untrue statements, as particularized herein, and the issuance of such statements by BIM was in violation of section 126.2 of the *OSA* in that BIM knew or reasonably ought to have known that the statements, taken together or individually, in a material respect and at the time they were made and in light of the circumstances under which they were made were misleading or untrue and BIM did not state a fact that was required to be stated or that was necessary to make the statement or statements not misleading and such statement or statements were reasonably expected to have a significant effect on the market price or value of BIM Securities.

90. The Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices, contained misleading or untrue statements, as particularized herein, and the issuance of such statements by the BIM Officers and Directors was in violation of section 126.2 of the *OSA* in that the BIM Officers and Directors knew or reasonably ought to have known that the statements, taken together or individually, in a material respect and at the time they were made and in light of the circumstances under which they were made were misleading or untrue and the BIM Officers and Directors did not state a fact that was required to be stated or that was necessary to make the statement or statements not misleading and such statement or statements were reasonably expected to have a significant effect on the market price or value of BIM Securities.

BIM Vice-Chair Daniella Dimitrov breached the *OSA*

90A. Dimitrov's communications with Waheed as described in paragraphs 36C, 36D, 36E, 36F, 36G and 36H herein were contrary to the reasonable expectations of the Plaintiffs and Class Members in that they constitute a breach of the anti-tipping provisions of section 76(2) of the *OSA* which states:

> **"Tipping**
>
> (2) No reporting issuer and no person or company in a special relationship with a reporting issuer shall inform, other than in the necessary course of business, another person or company of a material fact or material change with respect to the reporting issuer before the material fact or material change has been generally disclosed."

90B. Particulars of Dimitrov's breach of section 76(2) of the *OSA* are:

(a) Dimitrov was an officer and director of BIM and therefore was in a special relationship with BIM.

(b) On or about June 9, 2010, Waheed met with Dimitrov. At this meeting, Dimitrov provided information to Waheed about the status of BIM's potential joint venture transaction with ArcelorMittal.

(b) On or about July 13, 2010, Waheed met with Dimitrov who informed him that BIM had terminated its exclusivity agreement with ArcelorMittal which resulted in ArcelorMittal providing an enhanced offer to BIM as compared to the last offer he had seen while a consultant at BIM; and BIM was at an advanced stage of negotiations with ArcelorMittal. In addition Dimitrov provided Waheed with the 2010 Conceptual Study, a BIM capital summary schedule, a BIM operating costs summary schedule, and BIM's internal rates of return for the Mary River Project.

(c) Subsequent to August 12, 2010, Dimitrov informed Waheed that BIM executed a second exclusivity agreement with ArcelorMittal on August 12, 2010 which was to run until October 15, 2010.

(d) The status and details of the negotiations between BIM and ArcelorMittal about the joint venture, and the other data and information provided by Dimitrov to Waheed and described above were material facts about BIM that were not generally disclosed. The fact that ArcelorMittal was in advanced negotiations with BIM, as evidenced by the revised and improved term sheet and the parties

executing a second exclusivity agreement was a material fact about BIM that was not generally disclosed.

(e) These communications by Dimitrov to Waheed were not in the necessary course of business because:

(i) Waheed was no longer working for BIM as a consultant or otherwise;

(ii) BIM was in the advanced stages of negotiating a joint venture with ArcelorMittal, and was subject to exclusivity and confidentiality obligations to ArcelorMittal which Dimitrov breached as an officer and director of BIM.

90C. These unlawful communications by Dimitrov to Waheed contributed directly to the Nunavut Bid and scuttled the ArcelorMittal / BIM joint venture, damaging the Plaintiffs and the Class Members.

90D. The facts set out in paragraphs 90A, 90B and 90C were first discoverable during the hearing in 2013 of the OSC proceedings against Waheed and Walter for insider trading and tipping relating to BIM.

RIGHTS OF ACTION

Circular Misrepresentation

91. The Original Circular, the Amending Notices, the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices each contained misrepresentations in that the documents contained untrue statements of material fact,

or failed to disclose material facts that were required to be stated or that were necessary to make statements in the offering documents not misleading in light of the circumstances in which they were made, and in particular the undisclosed material facts described herein.

92. As a result of the misrepresentations contained in the Original Circular, the Amending Notices, the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices, the Plaintiffs and the Class Members suffered damage.

93. The Original Circular provided that:

> The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

94. The Plaintiffs plead and rely on section 131 of the *OSA*. In the alternative, the Plaintiffs plead and rely on the equivalent provisions of the Other Canadian Securities Acts.

Insider Trading

95. At the material time, each of the Offerors was in a special relationship with BIM.

96. In breach of section 76 of the *OSA* and the equivalent provisions of the Other Canadian Securities Acts, the Offerors, with knowledge of material facts that had not been generally disclosed, and in particular the material facts referred to in paragraphs 32A, 74 and 74A hereof, either purchased securities of BIM pursuant to the Joint Bid or informed one or more of the others of the undisclosed material facts and recommended,

encouraged and/or enabled one or more of the others to purchase BIM Securities pursuant to the Joint Bid.

97. As a result of the conduct of the Offerors in breach of section 76 of the *OSA*, and the equivalent provisions of the Other Canadian Securities Acts, the Plaintiff Peter Rooney and the Class Members who sold their BIM Securities pursuant to the Joint Bid have suffered damage.

98. The Plaintiffs plead and rely on section 134 of the *OSA*. In the alternative, the Plaintiffs plead and rely on the equivalent provisions of the Other Canadian Securities Acts.

Relief from Oppression

98A. As against BIM and the BIM Officers and Directors, the Plaintiffs and Class Members seek relief from their oppressive conduct pursuant to section 248 of the *CBCA*.

99. The Plaintiffs and the Class Members had reasonable expectations about the manner in which the business and affairs of BIM would be conducted.

100. The reasonable and legitimate expectations of the Plaintiffs and the Class Members were that:

a) the business and affairs of BIM would be conducted in accordance with the law and, in particular, in accordance with the disclosure requirements and insider trading prohibitions of Canadian securities laws;

b) the directors and management would take all reasonable steps available to them to protect their interests as shareholders in the context of their endeavours to maximize shareholder value; and

c) the directors and officers of BIM would not put their own interests ahead of the interests of BIM, the Plaintiffs and the Class Members, as shareholders of BIM.

101. As particularized herein, BIM and the BIM Officers and Directors breached Canadian securities laws by issuing the January 13, 2011 Press Release, the Material Change Report, the Nunavut Directors' Circular, the Nunavut Directors' Circular Amending Notices, the ArcelorMittal Directors' Circular and the ArcelorMittal Directors' Circular Amending Notices, all of which contained misleading or untrue statements.

101A. BIM and the BIM Officers and Directors further disregarded the reasonable expectations of the Plaintiffs and Class Members by:

a) failing to ensure that the terms of BIM's exclusivity agreements with ArcelorMittal contained terms which prevented it from joining forces with a hostile takeover bidder, which it ultimately did, when such terms were in common use in circumstances similar to these;

b) failing to take appropriate or any action to prevent Waheed from violating the terms of his confidentiality agreement with BIM when such actions would or could have either

(i) put a stop to the Nunavut bid, and thus preserved the more valuable joint venture agreement with ArcelorMittal; or

(ii) provided time for competitive bidders to consider and commence bids for BIM's shares.

101B. Dimitrov, as an officer and director of BIM, further disregarded the reasonable expectations of the Plaintiffs and the Class Members by engaging in unlawful tipping as described in paragraphs 90A, 90B and 90C herein.

101C. The BIM Officers and Directors further disregarded the reasonable expectations of the Plaintiffs and the Class Members by putting their own interests ahead of the interests of BIM, the Plaintiffs and the Class Members, by approving and supporting the Joint Bid which resulted in the accelerated vesting of the stock options of the BIM Officers and Directors to their personal benefit, as particularized herein.

102. The conduct of BIM and the BIM Officers and Directors was oppressive and unfairly prejudicial to the Plaintiffs and the other Class Members, and unfairly disregarded their interests, and as a result, the Plaintiffs and the Class Members seek relief pursuant to section 248 of the *OBCA* for, *inter alia*, compensation for the damage they have suffered.

Unjust Enrichment

103. As a result of the Defendants' breaches of Canadian securities laws as set out above, the Plaintiff Peter Rooney and the Class Members who sold their BIM Securities to the Offerors pursuant to the Joint Bid, did so at too low a price.

104. Accordingly, the Offerors were directly or indirectly enriched by their breaches of Canadian securities laws and the Plaintiff Peter Rooney and the Class Members who sold their BIM Securities to the Offerors pursuant to the Joint Bid suffered a corresponding deprivation.

105. There was no valid juristic reason for the resulting enrichment of the Offerors.

106. Accordingly, the Plaintiff Peter Rooney and Class Members who sold their BIM Securities to the Offerors pursuant to the Joint Bid are entitled to the difference between

the price they were paid for their BIM Securities by the Offerors, and the true value of the BIM Securities as at the date they were acquired by the Offerors.

107. The acts and omissions of Aditya Mittal and Lakshmi Mittal particularized and alleged herein were also done for their own benefit, and they remain personally liable to the Plaintiff Peter Rooney and the Class Members, for the acts and omissions, except to those Class Members who sold BIM Securities in the Secondary Market on or after January 14, 2011 (but only to the extent of such sales).

108. The acts and omissions of du Toit particularized and alleged herein were also done for his own benefit, and he remains personally liable to the Plaintiff Peter Rooney and the Class Members, except those Class Members who sold BIM Securities in the Secondary Market on or after January 14, 2011 (but only to the extent of such sales).

109. The acts and omissions of Waheed, Walter, Calvert and Raymond particularized and alleged herein were also done for their own benefit, and they remain personally liable, for the acts and omissions, to the Plaintiff Peter Rooney and the Class Members, except those Class Members who sold BIM Securities in the Secondary Market on or after January 14, 2011 (but only to the extent of such sales).

Vicarious Liability of BIM

110. BIM is vicariously liable for the acts and omissions of McCloskey, Lydall and Dimitrov. The acts or omissions particularized and alleged herein to have been done by BIM were authorized, ordered and done by McCloskey, Lydall, Dimitrov and BIM's other agents, employees and representatives while engaged in the management, direction, control and

transaction of its business and affairs and are, therefore, acts and omissions for which BIM is vicariously liable.

111. The acts and omissions of McCloskey, Lydall and Dimitrov particularized and alleged herein were also done for their own benefit, and they remain personally liable to the Plaintiffs and the Class Members for the acts and omissions.

SERVICE OUTSIDE ONTARIO

112. The Plaintiffs may serve the Notice of Action and Statement of Claim outside of Ontario without leave in accordance with rule 17.02 of the *Rules*, because it is:

a) A claim in respect of personal property in Ontario (para 17.02(a));

b) A claim in respect of damage sustained in Ontario (para 17.02(h));

c) A claim authorized by statue to be made against a person outside of Ontario by a proceeding in Ontario (para 17.02(n)); and

d) A claim against a person outside of Ontario who is a necessary or proper party to a proceeding properly brought against another person served in Ontario (para 17.02(o)).

RELEVANT LEGISLATION

113. The Plaintiffs plead and rely on:

a) the *CJA*;

b) the *CPA*;

c) the *OBCA*; and

d) the *OSA* and the Other Canadian Securities Acts.

PLACE OF TRIAL

114. The Plaintiffs propose that this action be tried in the City of London in the Province of Ontario.

May 18, 2011
amended as of May 31, 2013
further amended as of June 4, 2013
further amended as of October 31, 2013,
further amended as of July 9, 2018

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Lawyers for the Plaintiffs

SCHEDULE "A"
BID DOCUMENTS

Original Circular and Amending Notices

Document	Date	Individual Defendants as Signatories
Original Circular	November 12, 2010	Lakshmi N. Mittal and Aditya Mittal
Notice of Variation and Extension	December 18, 2010	Lakshmi N. Mittal and Aditya Mittal
Notice of Extension	December 29, 2010	Lakshmi N. Mittal and Aditya Mittal
Notice of Variation	December 31, 2010	Lakshmi N. Mittal and Aditya Mittal
Notice of Extension	January 10, 2011	Lakshmi N. Mittal and Aditya Mittal
Notice of Variation and Extension	January 14, 2011	Lakshmi N. Mittal, Aditya Mittal, Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert
Notice of Extension and Change	January 25, 2011	Lakshmi N. Mittal, Aditya Mittal, Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert
Notice of Extension	February 7, 2011	Lakshmi N. Mittal, Aditya Mittal, Phillipus F. du Toit, Jowdat Waheed, Bruce Walter, John T. Raymond and John Calvert

ArcelorMittal Directors' Circular, ArcelorMittal Directors' Circular Amending Notices, Nunavut Directors' Circular and Nunavut Directors' Circular Amending Notices

Document	Date	Individual Defendants as Signatories
Nunavut Directors' Circular	October 7, 2010	Richard McCloskey, John Lydall and Daniella Dimitrov
ArcelorMittal Directors' Circular	November 12, 2010	Richard McCloskey, John Lydall and Daniella Dimitrov
Notice of Change	December 20, 2010	John Lydall and Daniella Dimitrov
Notice of Change	December 31, 2010	John Lydall and Daniella Dimitrov
Notice of Change	January 3, 2011	John Lydall and Daniella Dimitrov
Notice of Change	January 17, 2011	Richard McCloskey and Daniella Dimitrov

SCHEDULE "B"
UNDISCLOSED MATERIAL FACTS

1. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, contained in the 2008 Expansion Study as referred to in paragraphs 30, 31, 32A, 34, 44, 63, 71, 73, 74, 76 and 96 of the Second Fresh as Amended Statement of Claim are:

   (a) the Mary River Project could be feasibly expanded to a production rate of 30 million tonnes per annum ("MTA") from the 18 MTA as set out in the publicly-disclosed 2008 Rail Feasibility Study;

   (b) to achieve this increase in production would require:

      (i) an increase in direct and indirect capital costs of $802 million from $4.075 billion to $4.877 billion; and

      (ii) an increase in operating costs of $0.81 per tonne from $14.62 per tonne to $15.43 per tonne;

   (c) this increase in production would result in:

      (i) an increase in pre-tax internal rate of return of 3% from 21% to 24%;

      (ii) an increase in the pre-tax payback of 0.2 years from 3.7 years to 3.9 years;

      (iii) an increase in after-tax internal rate of return of 4% from 16% to 20%; and

      (iv) a decrease in the after-tax payback of 0.3 years from 4.3 years to 4.0 years.

2. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, contained in the June 2010 Conceptual Study as referred to in paragraphs 32A, 32H, 33, 34, 35, 36D, 36E, 36F, 39A, 44, 64, 74, 76, 90B and 96 of the Second Fresh as Amended Statement of Claim are:

(a) as of June 2010, BIM completed the conceptual study for a production scenario which was materially different from that which was set out in the publicly-disclosed 2008 Rail Feasibility Study;

(b) the Mary River Project could be feasibly developed with a production rate of 3 MTA reduced from the 18 MTA as set out in the publicly-disclosed 2008 Rail Feasibility Study;

(c) this reduced production would be achieved by:

(i) reducing the initial size and complexity of the project;

(ii) commencing production as quickly as possible;

(iii) maximizing the opportunity provided by iron ore prices that were expected to remain high in the near term;

(iv) reducing risk;

(d) the June 2010 Conceptual Study scenario provided for a modest mining, crushing and screening operation at Deposit No. 1 to produce lump and fine ore products that would be trucked to stockpiles at Milne Inlet for shipping to customers at a rate of 3 MTA during the open water shipping season;

(e) the 3 MTA production rate under this new plan provided for an internal rate of return of 42% on an unlevered basis and a net present value of the project at 8% of $741 million;

(f) shipping could begin as early as the 2013 open water shipping season with full production achieved the following year;

(g) total capital costs for the new 3 MTA plan were $537 million while operating costs were $32.50 per tonne, compared to capital costs of $4.506 billion and operating costs of $14.60 per tonne for the 18 MTA option (as set out in the publicly-disclosed 2008 Rail Feasibility Study); and

(h) the expected return on equity for the new plan during the 16 year life of the project was as follows:

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(8%)	(7%)	(2%)	3%	28%	29%	22%	18%	13%	10%	10%	9%	9%	9%	9%	9%

3. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, contained in the January 2011 Draft Environmental Impact Statement referred to in paragraph 74 of the Second Fresh as Amended Statement of Claim are:

(a) that BIM proposed to operate the Mary River Project at a production rate of 21 MTA and that approval of the project was being sought on that basis; and

(b) the Mary River Project could be feasibly expanded to a production rate of 30 MTA.

4. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, contained in materials of the BIM Board referred to in paragraphs 32A and 74 of the Second Fresh as Amended Statement of Claim are:

   (a) material facts contained in BIM's 2010 Company Strategy and Consolidated Budget (January 12, 2010), and in particular:

      (i) BIM's budget for 2010, including funding sources and budgeted expenditures;

      (ii) the exploration activities to be undertaken at the Mary River Project during 2010 and the budget for that exploration program; and

      (iii) the activities to be undertaken during 2010 to advance the Environmental Impact Statement for the Mary River Project and the budget for those activities;

   (b) material facts contained in BIM's Conceptual Base Exploration Plan 2010-2011-2012 (September 9, 2009), and in particular:

      (i) BIM's plans for the exploration and development of the Mary River Project between 2010 and 2016;

      (ii) BIM's budgeted expenditures for 2010 to 2012.

5. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, concerning details about BIM's negotiations with ArcelorMittal as referred to in paragraphs 32A to 32E, 36G to 36I, 42A to 42E, 74, 82A and 90B of the Second Fresh as Amended Statement of Claim are:

(a) the content of numerous agreements and term sheets negotiated between BIM and ArcelorMittal, up to and including the final term sheet dated August 10, 2010 entitled "Exclusivity Reinstatement and Amendment Agreement" to which was attached a "Summary of Terms" (the "Final Term Sheet") which represented the agreed commercial terms of the joint venture between ArcelorMittal and BIM which were to be incorporated into "Definitive Agreements" as defined in the Final Term Sheet;

(b) the fact that, as at August 10, 2010, the final commercial terms of the joint venture between ArcelorMittal and BIM, as reflected in the Final Term Sheet, were agreed; and

(c) the fact that, as at September 22, 2010, the joint venture between ArcelorMittal and BIM was scheduled to be formally entered on September 30, 2010.

6. Particulars of material facts, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, concerning details about BIM's negotiations with the QIA regarding royalties that BIM would have to pay in respect of the Mary River Project as referred to in paragraphs 32A, 32I and 74 of the Second Fresh as Amended Statement of Claim are:

(a) the structure of the royalty sought by the QIA, namely that the QIA sought an up-front fixed payment as well as ongoing payments based on a percentage of BIM's income; and

(b) the quantum of the royalty payments sought by the QIA, namely that the QIA sought an up-front fixed payment of approximately $30 million and ongoing payments of approximately 4.5% of BIM's income.

7. Particulars of confidential BIM information contained in BIM PowerPoint presentations which Waheed prepared while a BIM consultant which he took with him after he left BIM, as referred to in paragraph 36A of the Second Fresh as Amended Statement of Claim are:

(a) data which BIM believed to be true as at April 2010 regarding reserves and resources at the Mary River Project, BIM's internal rates of return ("IRR"), the net asset value of BIM on a per share basis, anticipated earnings for BIM from 2013 through 2015 based upon various IRR and ore prices per tonne, and other financial analytical data used in and derived from BIM's confidential financial models;

(b) stated reserves of the Mary River Project of 375 million tonnes of +65% Fe and potential resources of 460 to 1,250 million tonnes of +65% Fe; and

(c) a believed BIM net asset value of $3.25 per share as at April 11, 2010.

8. The above facts about BIM, which were not disclosed in the Bid Documents and were not otherwise generally disclosed, were either material on their own or material in light of the total mix of information available, and in any case were material facts not generally disclosed in the Defendants' possession from the Initial Nunavut Offer and any amendments thereto, through the Initial ArcelorMittal Offer and any amendments thereto, and throughout the Joint Bid.

9. The foregoing particulars of material facts are in addition to other particulars pleaded in this Second Fresh As Amended Statement of Claim.

PETER ROONEY and ARCHIE LEACH
Plaintiffs

and

ARCELORMITTAL S.A. *et al.*
Defendants

Court File No: 3957-11CP

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London

SECOND FRESH AS AMENDED STATEMENT OF CLAIM

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This is Exhibit "C" mentioned and referred to in the Affidavit of Garett Hunter, sworn before me at the City of London, in the Province of Ontario, this 7th day of August, 2019.

A Commissioner, etc.

LITIGATION FUNDING AGREEMENT

BETWEEN:

PETER ROONEY and ARCHIE LEACH

Plaintiffs

- and -

CLAIMS FUNDING INTERNATIONAL, PLC

Funder

RECITALS

Peter Rooney and Archie Leach (the "Plaintiffs") have or may have a claim against ArcelorMittal S.A., Lakshmi N. Mittal, Aditya Mittal, 1843208 Ontario Inc., Philippus F. Du Toit, Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP, NGP Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P., Jowdat Waheed, Bruce Walter, John T. Raymond, John Calvert, Baffinland Iron Mines Corporation, Richard D. McCloskey, John Lydall and Daniella Dimitrov (collectively, "The Defendants"), as representative plaintiffs on behalf of the Class, as defined below, in a class action litigation conducted pursuant to the Ontario *Class Proceedings Act, 1992*, S.O. 1992, c. 6.

A. The Plaintiffs commenced a class proceeding in the Ontario Superior Court of Justice (the "Court") under court file number 3957-11CP, against the Defendants by way of Notice of Action, issued, April 19, 2011, (the "Proceeding", but specifically excluding, unless otherwise indicated by the Funder pursuant to clause 6.3 below, any appeal or the defence of any appeal or any further appeal or the defence of any further appeal arising therefrom).

B. The Plaintiffs are concerned about their exposure to an Adverse Costs Order in the Proceeding.

C. Claims Funding International, PLC (the "Funder") has a stated corporate objective of providing access to justice for the victims of corporate misconduct.

D. The Funder has agreed to pay:

(i) $50,000 for out of pocket expenses incurred by the Plaintiffs in the proceeding; and

(ii) any Adverse Costs Order

on the terms set out in this Litigation Funding Agreement ("Agreement") and, as a condition of doing so, has requested that the Plaintiffs seek Court approval of the within Agreement.

TERMS

1. Definitions:

1.1 In this Agreement, unless a contrary intention appears elsewhere herein, the following terms have the meanings specified below:

(a) "**Administration Expenses**" means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to implementation and administration of the Settlement or judgment, as the case may be, including the costs of publishing and delivering notices, the fees, disbursements and taxes paid to the Administrator, and any other associated expenses approved by the Court as being payable from the Resolution Sum.

(b) "**Adverse Costs Order**" means any Costs Order made in the Proceeding against the Plaintiffs and in favour of the Defendants in respect of costs incurred during the Term of Agreement, including applicable taxes;

(c) "**Beneficial Costs Order**" means any Costs Order made in a Proceeding against the Defendants and in favour of the Plaintiffs in respect of costs incurred during the Term of Agreement, including applicable taxes;

(d) "**Claim**" or "**Claims**" means the allegations the Plaintiffs, and each Class Member, have made or may make against the Defendants arising out of, or connected with, the facts plead in the Proceeding, or any amendment thereto made on notice to the Funder;

(e) "**Class**" or "**Class Members**" means all persons and entities, who tendered for sale their securities of Baffinland Iron Mines Corporation to take-over bids by ArcelorMittal S.A., 2263199 Ontario Inc., Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, LP and/or 1843208 Ontario Inc., between September 22, 2010 and February 17, 2011 or otherwise disposed of common shares or 2007 warrants of BIM on or after January 14, 2011 by sale in the open market, compulsory acquisition pursuant to plan of arrangement dated February 18, 2011, or such other definition as may be approved by any court, including, for the purposes of Settlement, any definition agreed upon by the parties to the Settlement. If no agreement is reached and/or no order is made which identifies the persons and entities represented by the Plaintiffs in the Proceeding, or if the group overlaps with the group in another action, such a determination will be sought by motion to the Court on Notice to the Parties;

(f) "**Commission**" means the consideration paid to the Funder for providing Funding, namely, (i) where the Resolution concerns only the Proceeding, 7% of the proportion of the Net Resolution Sum allocated to the Class Members to a maximum amount of the Commission Cap; or (ii) where the Resolution concerns other actions in addition to the Proceeding, 7% of the compensation paid to each Class Member from the Net Resolution Sum to a maximum amount of the Commission Cap, unless the Commission can otherwise be determined in a manner satisfactory to all parties to the Resolution;

(g) "**Commission Cap**" is:

(i) Cdn $5,000,000, if Resolution occurs at any time prior to the filing of the Plaintiffs' pre-trial conference brief; and

(ii) Cdn $10,000,000, if Resolution occurs at any time thereafter.

(h) "**Costs Order**" means an order made by the Court requiring one or more parties to the Proceeding to pay some or all of the costs incurred by another party or parties to the Proceeding;

(i) **"Date of Commencement**" means the date on which this Agreement is approved by the Court;

(j) **"Excluded Persons**" means the **Defendants**, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the families of the **Individual Defendants**.

(k) "**Final Resolution**" means when all Claims asserted in the Proceeding are fully and finally extinguished or dismissed by Settlement or judgment of a court;

(l) "**Funding**" means the Funder's undertaking to pay:

(i) $50,000 for out of pocket expenses incurred by the Plaintiffs in the proceeding; and

(ii) any Adverse Costs Order

in accordance with clause 4.1 below;

(m) "**Lawyers**" means the law firm of Siskinds ^{LLP} or any firm of lawyers appointed in their place by the Plaintiffs after providing notice of the intent to change Lawyers to the Funder;

(n) "**Net Resolution Sum**" means the Resolution Sum less (i) Lawyers' fees and disbursements, including HST; and (ii) Administration Expenses;

(o) "**Party**" or "**Parties**" means the parties to this Agreement, namely, the Plaintiffs, including their successor trustees, and the Funder;

(p) "**Privilege**", unless the context otherwise requires, means solicitor-client privilege, litigation privilege and settlement communication privilege;

(q) "**Resolution**" means a Settlement, or judgement issued by a court, that resolves the Claim or part of the Claim in favour of the Plaintiffs;

(r) "**Resolution Sum**" means the gross amount or amounts, or the value of any goods or services, for which the Claim or part of the Claim is settled, or for which judgment is given, in favour of the Plaintiffs, including the value of any favourable terms of future supply of goods or services and including any interest, but specifically excluding costs recovered by the Plaintiffs pursuant to a Costs Order;

(s) "**Settlement**" means an agreement which provides for the resolution of the Claim or part of the Claim which is approved by a court following provision of advice from the Lawyers that such agreement is reasonable having regard to all contingencies, and includes any compromise, discontinuance or waiver of the Claim or part of the Claim. "Settles" shall be construed accordingly;

(t) "**Term of Agreement**" means the period of time in which the Agreement is in full force and effect, namely, the period beginning on the Date of Commencement and continuing in operation until:

(i) the Proceeding, and any appeal funded by the Funder, reaches a Final Resolution;

(ii) the Funder has complied with all of its obligations arising pursuant to this Agreement; and

(iii) the Commission has been paid to the Funder;

OR alternatively,

(iv) the Termination of the Agreement as provided in clauses 11 and 12;

(u) "**Termination**" means,

(i) a cessation of the effect of this Agreement in accordance with clauses 11 or 12 herein; and

(ii) any completion, failure, avoidance, rescission, annulment or other cessation of the effect of this Agreement;

(v) "**Termination Notice**" means the written notice, served, by either the Funder or the Plaintiffs upon the other in accordance with their rights under this agreement, seven (7) days in advance of the date upon which either Party elects that the Agreement and all obligations thereunder are to be terminated.

2. General:

2.1 The written terms of this Agreement constitute the entire agreement between the Parties.

2.2 There shall be no variation or amendment to the terms of this Agreement except in writing signed by each Party.

2.3 If any provision of this Agreement, or the application thereof to any person or circumstances, is or becomes invalid or unenforceable, the remaining provisions shall not be affected and each provision shall be valid and enforceable to the full extent permitted by law.

2.4 The Plaintiffs and the Funder will promptly execute all documents and do all things that either of them from time to time reasonably requires of the other to effect, perfect or satisfy the provisions of this Agreement and any transaction contemplated by it.

2.5 Nothing in this Agreement shall constitute the Parties as partners, joint venturers or fiduciaries.

2.6 The singular includes the plural and vice versa.

3. Plaintiffs' Obligations:

3.1 In recognition of the fact that the Funder has an interest in the Resolution Sum and an interest in the efficient and effective prosecution of the Proceeding, the Plaintiffs irrevocably direct the Lawyers to advise the Funder with regard to any significant issue in the Proceeding such as prospects, strategy, quantum, proof and any material change thereof. The Plaintiffs also irrevocably direct the Lawyers to promptly respond to any reasonable request by the Funder for information relating to the Proceeding. Notwithstanding the above:

(a) the Plaintiffs shall retain and provide instructions to the Lawyers;

(b) the Funder accepts that the Lawyers' professional duties are owed to the Plaintiffs and not to the Funder; and

(c) the Plaintiffs shall remain as the representative plaintiffs in the Proceeding unless the Court orders otherwise.

3.2 The Plaintiffs must:

(a) conduct the Proceeding in a manner that avoids unnecessary cost and delay;

(b) provide full and honest instructions to the Lawyers; and

(c) inform the Lawyers of any change in their contact information or of any detail, circumstance or change in circumstances likely to affect any issue in the Proceeding;

3.3 The Plaintiffs agree that all information, communication or documents provided to them at any time (i) by the Funder or its respective officers, servants or agents in relation to the Claim and/or this Agreement; or (ii) by the Lawyers in relation to this Agreement is subject to Privilege.

3.4 The Plaintiffs will not disclose any information, to which clause 3.3 refers, to any other person without the prior written consent of the Funder (if the information was provided by it) or the Lawyers (if the information was provided by them).

3.5 For further clarity the obligations in clauses 3.3 and 3.4 survive any Termination.

3.6 The Plaintiffs irrevocably authorize and require the Lawyers to:

(a) immediately, upon its execution, seek court approval of this Agreement;

(b) immediately report to the Funder the joining or removal of any party to the Proceeding;

(c) receive any funds payable by the Defendants as a result of any Beneficial Costs Order(s); and

(d) upon Final Resolution, pay the amounts in clause 8.1 of this Agreement.

4. Funding:

4.1 The Funder will pay:

(a) $50,000 for out of pocket expenses incurred by the Plaintiffs in the proceeding; and

(b) any Adverse Costs Order.

4.2 If a Beneficial Costs Order is issued, such funds shall be considered as a first credit towards any future Adverse Costs Order(s), such that the Funder, in satisfying its obligations under clause 4.1, shall only pay the remainder of any subsequent Adverse Costs Order after subtraction of the total of the Beneficial Costs Orders issued to date.

5. Privilege and Confidentiality:

5.1 Information provided to the Funder pursuant to the Agreement, is subject to Privilege and in order to maintain that Privilege, the Funder shall:

(a) strictly maintain the confidentiality of the information;

(b) adopt proper and effective procedures for maintaining the confidentiality and safe custody of the information;

(c) ensure that access to the information is only provided to the Funder's directors, officers and/or employees who are engaged in functions connected to the implementation of this Agreement;

(d) only use the information for the purpose for which it was provided;

(e) not disclose the information to any person other than Plaintiffs and/or the Lawyers retained in the Proceeding; and

(f) return all records, copies or duplicates, of the information to the Plaintiffs upon the Final Resolution of the Proceeding.

6. Appeals

6.1 If the Proceeding is wholly or partly unsuccessful, or any appeal from the Proceeding is wholly or partly unsuccessful, and the Lawyers advise that there are reasonable grounds to appeal, or further appeal, as the case may be, the Plaintiffs agree that although the Lawyers may commence and prosecute an appeal or further appeal on the Plaintiffs' behalf or for the benefit of the Plaintiffs, the Funder is not obliged to provide Funding for any appeal unless it independently decides to do so.

6.2 If the Proceeding is wholly or partly successful, or any appeal from the Proceeding is wholly or partly successful and the Defendants lodge an appeal, the Plaintiffs agree that although the Lawyers may defend such appeal or further appeal on the Plaintiffs' behalf or for the benefit of the Plaintiffs, the Funder is not obliged to provide Funding for any appeal unless it decides independently to do so.

6.3 The Funder may elect to fund any appeal or the defence of any appeal or any further appeal or the defence of any further appeal in respect of the Proceeding by notice in writing to the Plaintiffs.

6.4 If the Funder elects to provide Funding for an appeal pursuant to clause 6.3, such Funding will be on the terms of the Agreement, and the term "Proceeding" wherever used in this Agreement will be treated as including a reference to the appeal which is the subject of the election.

6.5 Should the Funder not elect to fund any appeal or the defence of any appeal or any further appeal or the defence of any further appeal in respect of the Proceeding, the Funder shall only be entitled to a Commission in respect of any Resolution reached prior to such appeal and shall not be entitled to a Commission in respect of any Resolution reached as a result of such appeal or the defence of such appeal.

7. Receipt of Resolution Sum

7.1 The Plaintiffs:

(a) acknowledge that the conduct of the Proceeding will or may encourage the Defendants to seek to compromise the Plaintiffs' Claim(s); and

(b) irrevocably authorize and direct the Lawyers to receive any Resolution Sum, paid in compromise for the Plaintiffs' Claim(s), and to immediately pay any Resolution Sum into an account kept for that purpose.

7.2 The Plaintiffs irrevocably authorize and direct the Lawyers to pay out of the account referred to in clause 7.1(b), above, all payments referred to in clause 8.1.

7.3 If the Resolution Sum is not money, the monetary value of the Resolution Sum received will be calculated by reference to the reasonable market value of the Resolution Sum, The Resolution Sum shall then be distributed, and any Commission paid, in proportion to its equivalent monetary value.

8. Commission

8.1 Upon Final Resolution, the Lawyers, or administrator as the case may be, shall pay the sum of $50,000 from the Resolution Sum and pay the Commission to the Funder from the Net Resolution Sum, as soon as practicable, and in any event prior to the distribution of the Net Resolution Sum to Class Members.

8.2 No fees, commissions or other payments will become due or owing by the Plaintiffs to the Funder, other than those provided for in clauses 8.1.

9. No Charge or Other Encumbrance

9.1 The Plaintiffs warrant that there is no charge or other encumbrance on the Net Resolution Sum as at the date of this Agreement.

9.2 The Plaintiffs will not cause or permit any charge, lien or other encumbrance to arise over or otherwise attach to the Net Resolution Sum after the date of this Agreement, except with the prior written consent of the Funder.

10. Good Faith Dealings

10.1 The Plaintiffs and the Funder will:

(a) act in good faith toward each other and be just and faithful in their dealings with each other in all matters arising out of or connected with this Agreement; and

(b) save as provided in this Agreement, not do or permit to be done anything likely to deprive any Party of the benefit for which the Party entered into this Agreement.

10.2 If this Agreement or any part thereof is annulled, avoided or held unenforceable the Plaintiffs will forthwith do all things necessary, including without limitation executing any further or other agreement or instrument, to ensure that the Funder receives any remuneration, entitlement or other benefit to which this Agreement refers or is contemplated by this Agreement. The Plaintiffs irrevocably agree that production of a copy of this Agreement shall be conclusive evidence of the Plaintiffs' undertaking as set out in this clause.

10.3 The Plaintiffs will not seek any order from any court that may detrimentally affect the Funder's rights under this Agreement other than with the consent of the Funder.

10.4 If the Plaintiffs act in breach of this Agreement, clauses 7 and 8 will continue to apply to any Resolution Sum received by the Plaintiffs in respect of the Claim, unless the Funder elects to terminate this Agreement pursuant to clause 11.1, below.

10.5 The Plaintiffs and the Funder will keep the contents of this Agreement confidential in so far as it concerns the terms of the relationship between the Plaintiffs and the Funder, except where disclosure is required by law or disclosure is, in the Funder's absolute discretion, made by the Funder to the Defendants or their agents.

11. Termination by the Funder

11.1 If the Plaintiffs,

(a) do not fulfill their obligations as stipulated in clause 3 above; or

(b) appoint different Lawyers to replace the present Lawyers;

the Funder may elect to terminate this Agreement by serving a Termination Notice upon the Plaintiffs. Termination shall become effective as of the seventh day after service of the Termination Notice.

11.2 If the Funder does not elect to fund any appeal or the defence of any appeal or any further appeal or the defence of any further appeal in respect of the Proceeding, the Funder shall terminate this Agreement by serving a Termination Notice upon the Plaintiffs. Termination shall become effective as of the seventh day after service of the Termination Notice.

11.3 All obligations of the Funder under this Agreement cease on the date the Termination becomes effective, save for obligations accrued to that date.

11.4 If the Funder terminates this Agreement and its obligations pursuant to clause 11.1 above then it shall not be entitled to a Commission on account of any Resolution achieved after the Termination becomes effective.

11.5 If the Funder terminates this Agreement and its obligations pursuant to clause 11.2 above then it shall only be entitled to a Commission in respect of any Resolution reached prior to such appeal and shall not be entitled to a Commission in respect of any Resolution reached as a result of such appeal or the defence of such appeal.

11.6 The accrued obligations of the Funder referred to in clause 11.3 comprise of an obligation to pay any Adverse Costs Order in the Proceeding in respect of costs which arise in, or are attributed to, the period beginning on the Date of Commencement and ending on the date the Funder's termination becomes effective.

12. Termination by Plaintiffs

12.1 If the Funder does not fulfill its obligations as stipulated in clauses 4 and 5, and does not remedy the breach within thirty (30) days after receiving written notice from the Plaintiffs, the Plaintiffs may terminate this Agreement by serving a Termination Notice upon the Funder. Termination shall become effective as of the seventh day after service of the Termination Notice.

12.2 If this Agreement is terminated by the Plaintiffs pursuant to clause 12.1 above then:

(a) the Funder remains liable for the obligations referred to in clause 11.3 above; and

(b) the Plaintiffs will not be required to make any payment to the Funder under clause 8 above.

13. Governing Law

13.1 All matters related to this Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without regard to the conflict of laws or principles thereof, and are subject to the exclusive jurisdiction and venue of the courts of Canada in the Province of Ontario.

13.2 For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement. Specifically, by executing this Agreement, the Funder hereby attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

14. Disputes Arising from this Agreement

14.1 Disputes arising from this agreement shall be determined upon a motion before the Court on Notice to the Parties to this Agreement.

15. Notices

15.1 All notices given under this Agreement shall be in writing and may be served personally, by post, facsimile or by e-mail.

15.2 The Funder shall serve on the Lawyers a copy of any Termination Notice given or received by the Funder.

15.3 The Plaintiffs shall serve on the Lawyers a copy of any Termination Notice given or received by the Plaintiffs.

15.4 The address for service of the Funder will be:

30 Pembroke Street Upper
Dublin 2
Ireland
Tel: +353.1.234.2523
Fax: +353.1.234.2589
Email: pkoutsoukis@claimsfunding.eu

15.5 The addresses for service of the Plaintiffs will be:

(A) Attn: Charles M. Wright
Siskinds LLP
680 Waterloo St.
London, ON N6A 3V8
Tel: 519.660.7753
Fax: 519.660.7754
Email: charles.wright@siskinds.com;

15.6 The address for service of the Lawyers shall be the same as the address for service of the Plaintiffs as specified in clause 15.5, above.

15.7 Notices shall be deemed to be received on the day after they are posted and the day they are transmitted by facsimile or e-mail.

16. Computation of Time

16.1 In the computation of time in this Agreement, except where a contrary intention appears,

(a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and

(b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

17. Counterparts

17.1 This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

17.2 A facsimile transmission of this Agreement signed by any Party will be treated as an original signed by that Party.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, or caused this Agreement to be executed by their duly authorized counsel, dated as of February 22, 2012.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

_____)
Witness Signature)

_____)
Witness Name (please print))

_____)
Witness Signature)

_____)
Witness Name (please print))

_____)
Witness Signature)

_____)
Witness Name (please print))

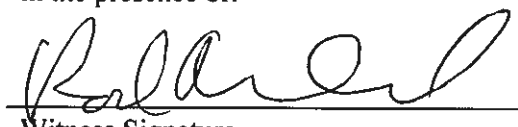
_____
Peter Rooney

_____
Archie Leach

_____
Claims Funding International, PLC

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, or caused this Agreement to be executed by their duly authorized counsel, dated as of February 22, 2012.

SIGNED, SEALED AND DELIVERED in the presence of:



Witness Signature

Rod MacDonald

Witness Name (please print)

Peter Rooney

Witness Signature

Witness Name (please print)

Archie Leach

Witness Signature

Witness Name (please print)

Claims Funding International, PLC

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, or caused this Agreement to be executed by their duly authorized counsel, dated as of February 22, 2012.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness Signature	Peter Rooney
Witness Name (please print)	
Witness Signature	Archie Leach
Witness Name (please print)	
Witness Signature	Claims Funding International, PLC
RACHEL CLARE SMITH	
Witness Name (please print)	

This is Exhibit "D" mentioned and referred to in the Affidavit of Garett Hunter, sworn before me at the City of London, in the Province of Ontario, this 7th day of August, 2019.

A Commissioner, etc.

GUIDE TO THE DISTRIBUTION PROTOCOL

This document is intended as a guide to assist in understanding the Distribution Protocol. Calculation of specific potential entitlements may vary depending on facts applicable to individual Class Members. If anything in this guide is inconsistent with any provisions in the Distribution Protocol, the provisions in the Distribution Protocol apply.

PART 1 - BACKGROUND

The Settlement Agreement dated June 7, 2019 provides for the amount of $6,500,000 to be paid into a fund to be distributed to Claimants, after deductions for certain expenses as described below. The Distribution Protocol sets out the method for the distribution of the remainder among Claimants.

Q: Who are Claimants?

A Claimant is a Class Member (or, in some circumstances, an individual who has legal authority to act on behalf of a Class Member) who submits a properly completed Claim Form and all required supporting documentation to the claims administrator within the specified time for doing so.

Class Members are defined as:

> All persons, other than Excluded Persons and Opt Out Parties, who:
>
> 1. tendered for sale BIM Securities to take-over bids by ArcelorMittal S.A., Nunavut Iron Ore Acquisition Inc., Iron Ore Holdings, L.P., NPG Midstream & Resources, L.P., NGP M&R Offshore Holdings, L.P. and/or 1843208 Ontario Inc. (collectively, the "**Offerors**") and whose BIM Securities were taken up by the Offerors; or
>
> 2. otherwise disposed of BIM Securities on or after January 14, 2011.

The terms "BIM Securities", "Excluded Persons" and "Opt Out Parties" have the meanings given to them in the Settlement Agreement and, as applicable, the Certification Order.

Q: How much money will be distributed to Claimants?

Certain expenses may be deducted from the Settlement Amount before the balance can be distributed to Claimants. Those expenses include counsel fees, the commission of the litigation funder, the costs of providing notice to Class Members and settlement administration expenses. All expenses must be approved by the Court. The remainder, after the deduction of Court approved expenses, is called the "Net Settlement Amount." The Net Settlement Amount will be distributed to Claimants in accordance with the Distribution Protocol.

PART 2 – ELIGIBILITY & DETERMINING ENTITLEMENTS

Q. Which BIM Securities are eligible?

Eligible Securities, as that term is used in the Settlement Agreement and Distribution Protocol, are BIM Securities (*i.e.* common shares and 2007 Warrants of Baffinland) the sale, tender or disposition of which made a person a Class Member. In other words, assuming you are not an "Excluded Person" or an "Opt Out Party", the BIM Securities which you tendered for sale to take-over bids by the Offerors or which you otherwise disposed of on or after January 14, 2011 are "Eligible Securities".

BIM Securities that are not Eligible Securities are not awarded anything under the Distribution Protocol.

Q: How will each Claimant's entitlement be determined?

To equitably distribute the Net Settlement Amount among Claimants, the Distribution Protocol tracks the core allegations advanced in the Action: (a) that the offeror defendants enjoyed preferred access to important and material information related to Baffinland's business that was not disclosed to Baffinland's other security holders; and (b) that Class Members who tendered BIM Securities for sale to take-over bids, or otherwise disposed of them on or after January 14, 2011, received less than they otherwise would have but for alleged misrepresentations. It does distinguish between Eligible Securities based on when those Eligible Securities were purchased and acquired.

The Distribution Protocol attributes undivided interests in the Net Settlement Amount for each Claimant's Eligible Securities. These interests are called "Net Settlement Amount Interests" ("**NSAI**").

A Claimant's Net Settlement Amount Interests are calculated under paragraph 11 of the Distribution Protocol.

The key factors that influence the number of Net Settlement Amount Interests to which a Claimant is entitled are:

1. when the Claimant's Eligible Securities were originally purchased or acquired; and

2. whether the Claimant's Eligible Securities are common shares or 2007 Warrants.

Table A, below, is illustrative of how the Distribution Protocol attributes Net Settlement Amount Interests. Please note: (a) the term "tendered" is used to describe an actual tender for sale (tendered common shares and 2007 warrants cannot have been withdrawn); and (b) the term "disposed of" is used to describe an actual secondary market sale, such as a sale on the TSX.

TABLE A

Eligibility Criteria	Attributed	Ref. Distribution Protocol
Common shares held at close of trading on September 21, 2010[1] and tendered for sale or otherwise disposed of on or after January 14, 2011	Three (3) NSAI for each such common share	**11(I)(A)**
2007 warrants held at the close of trading on September 21, 2010 and tendered for sale or otherwise disposed of on or after January 14, 2011	One-fifth (0.2) NSAI for each such 2007 warrant	**11(1)(B)**
Common shares purchased between September 22, 2010 and January 13, 2011[2] (inclusive) and tendered for sale or otherwise disposed of on or after January 14, 2011	Three-quarters (0.75) NSAI for each such common share	**11(II)(A)**
2007 warrants purchased between September 22, 2010 and January 13, 2011 (inclusive) and tendered for sale or otherwise disposed of on or after January 14, 2011	One-twentieth (0.05) NSAI for each such 2007 warrant	**11(II)(B)**
Common shares purchased on or after January 14, 2011 and tendered for sale or otherwise disposed of on or after January 14, 2011	0 NSAI for each such common share	**11(III)**
2007 warrants purchased on or after January 14, 2011 and tendered for sale or otherwise disposed of on or after January 14, 2011	0 NSAI for each such 2007 warrant	**11(III)**

The Distribution Protocol applies a "first-in first-out" ("**FIFO**") methodology. This means that Claimants who held shares at the close of trade on September 21, 2010 must have

[1] September 21, 2010 was the trading day immediately before September 22, 2010, the launch of the hostile takeover bid for Baffinland.

[2] January 13, 2011 was the trading day immediately before January 14, 2011, when the competing offerors made a joint bid for Baffinland.

completely sold and/or tendered those shares before shares acquired after the close of trade on September 21, 2010 will be treated as sold and/or tendered.

The Distribution Protocol also contemplates aggregation, where applicable, of the Net Settlement Amount Interests determined under subparagraphs 11(I)(A), (I)(B), (II)(A) and (II)(B).

PART 3 - *PRO RATA* ALLOCATION OF NET SETTLEMENT AMOUNT

After each Claimant's Net Settlement Amount Interests are determined, the Net Settlement Amount will be allocated to Claimants on a *pro rata* basis based upon each Claimant's Net Settlement Amount Interests.

What this means is that each Claimant will be entitled to a share of the Net Settlement Amount equal to their relative share of the total Net Settlement Amount Interests of all Claimants.

For example, if a Claimant had 50,000 Net Settlement Amount Interests, and the total Net Settlement Amount Interests of all Claimants was 10,000,000, she would be entitled to 0.5% of the Net Settlement Amount.

PART 4 - SAMPLE CALCULATIONS FOR ILLUSTRATION PURPOSES

Example 1

Assumptions:

- 75,000 shares held at the close of trade on the TSX on September 21, 2010;
- 25,000 shares sold on the TSX between September 22, 2010 and January 13, 2011;
- 50,000 shares tendered;
- the sum of all Claimants' NSAI is 30,025,000; and
- the Net Settlement Amount available for distribution is $4,000,000.

Application of the Distribution Protocol:

- 50,000 shares that were tendered meet the definition of Eligible Securities;
- those 50,000 shares were held at the close of trade on the TSX on September 21, 2010. They are to be assessed under paragraph 11(I)(A); and
- 25,000 shares sold on the TSX between September 22, 2010 and January 13, 2011 do not meet the definition of Eligible Securities because they were not tendered or otherwise disposed of on or after January 14, 2011.

The Claimant is entitled to 150,000 NSAI, calculated as: 50,000 × 3.0

The Claimant's actual compensation is $19,983.35, which is his or her *pro rata* share of the Net Settlement Amount, calculated as: [150,000 ÷ 30,025,000] × $4,000,000

Example 2

Assumptions:

- 110,000 2007 warrants held at the close of trade on the TSX on September 21, 2010;
- 15,000 2007 warrants acquired on the TSX on September 30, 2010;
- 25,000 2007 warrants sold on the TSX on December 31, 2010;
- 2,000 2007 warrants sold on the TSX after January 14, 2011;
- 98,000 2007 warrants tendered;
- the sum of all Claimants' NSAI is 35,400,000; and
- the Net Settlement Amount available for distribution is $4,000,000.

Application of the Distribution Protocol:

- 2,000 2007 warrants sold on the TSX after January 14, 2011 and 98,000 2007 warrants tendered (100,000 2007 warrants in total) are Eligible Securities;
- applying FIFO, 85,000 of those 100,000 2007 warrants (which are Eligible Securities) were held at the close of trade on the TSX on September 21, 2010 and are to be assessed under paragraph 11(I)(B);
- applying FIFO, 15,000 of those 100,000 2007 warrants (which are Eligible Securities) were acquired between September 22, 2010 and January 13, 2011 and are to be assessed under paragraph 11(II)(B); and
- 25,000 2007 warrants sold on the TSX on December 31, 2010 are not Eligible Securities because they were not tendered or otherwise disposed of on or after January 14, 2011.

The Claimant is entitled to 17,750 NSAI, calculated as: [85,000 × 0.2] + [15,000 × 0.05]

The Claimant's actual compensation is $2,005.65, which is his or her *pro rata* share of the Net Settlement Amount, calculated as: [17,750 ÷ 35,400,000] × $4,000,000

PART 5 - CURRENCY AND CLAIMS UNDER CAD$10.00

All funds will be paid in Canadian currency.

Claimants with a *pro rata* allocation less than CAD$10.00 will not be paid, because the cost to distribute these funds will be greater than CAD$10.00. All amounts less than CAD$10.00 will be allocated *pro rata* to eligible Claimants whose *pro rata* allocation is greater than that amount.

PART 6 - PAYMENTS TO CLAIMANTS

The claims administrator will make payment to Claimants by cheque or electronic transfer.

PART 7 - REMAINING AMOUNTS

If Claimants do not cash cheques within 180 days after the date of distribution or funds otherwise remain after the Claimants are paid, the aggregate amount of such uncashed cheques will be allocated among all other Claimants, if feasible. If not feasible, such balance shall be allocated to one or more recipients to be approved by the Court.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

AFFIDAVIT OF GARETT HUNTER
(SWORN AUGUST 7, 2019)

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