

BAFFINLAND IRON MINES CORPORATION SECURITIES CLASS ACTION

NOTICE 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 DEADLINE

Claims Bar Deadline (to submit a claim for compensation):

11:59pm Toronto (Eastern) time on December 25, 2019

Opt Out Deadline (to exclude yourself from the class action and the settlement):

5:00pm Toronto (Eastern) time on August 12, 2019

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 December 25, 2019.**

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 June 7, 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 Epiq Class Action Services Canada Inc. (“Epiq Canada” or “Administrator”).

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 Epiq Canada; **(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.

Epiq Canada must receive your Opt Out Election by **no later than 5:00pm Toronto (Eastern) time on August 12, 2019 (“Opt Out Deadline”)**.

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

Baffinland Iron Mines Corporation Securities Class Action Settlement Administrator
c/o Epiq Class Action Services Canada Inc.
Nelson P.O. Box 20187 – 322 Rideau Street
Ottawa ON K1N 5Y5
Email: info@baffinlandclassactionsettlement.ca
Fax: 1-866-262-0816

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 Epiq Canada 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 August 17, 2019**.

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 **September 6, 2019 at 10:00am**, 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 submit 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 27.5% of the Settlement Amount (“Class Counsel Fees”), plus disbursements not exceeding CAD\$300,000 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 December 25, 2019** ("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 submitted 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 submitted 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 Epiq Class Action Services Canada Inc. 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:

Baffinland Iron Mines Corporation Securities Class Action Settlement Administrator
c/o Epiq Class Action Services Canada Inc.
Nelson P.O. Box 20187 – 322 Rideau Street
Ottawa ON K1N 5Y5
Email: info@baffinlandclassactionsettlement.ca
Telephone: 1-833-414-8044
Fax: 1-866-262-0816

SUBMITTING A CLAIM

All claims for compensation from the Settlement must be received by **no later than 11:59pm Toronto (Eastern) time on December 25, 2019.**

The most efficient way to submit a claim is to visit the Administrator's website at **www.baffinlandclassactionsettlement.ca**. The website provides step by step instructions on how to submit 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 submitted by email, fax, 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:

Baffinland Iron Mines Corporation Securities Class Action Settlement Administrator
c/o Epiq Class Action Services Canada Inc.
Nelson P.O. Box 20187 – 322 Rideau Street
Ottawa ON K1N 5Y5
Email: info@baffinlandclassactionsettlement.ca
Telephone: 1-833-414-8044
Fax: 1-866-262-0816

Class Members with questions about how to complete or submit 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 August 7, 2019); and
5. Class Counsel's evidence and written argument in support of the request for approval of Class Counsel's fees and disbursements (by August 7, 2019).

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 August 23, 2019**. 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 2206
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.