

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 SETTLEMENT APPROVAL

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 June 13, 2019, Class Members were afforded the right to exclude themselves or "opt out" of the class by August 12, 2019. 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 June 7, 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 September 17, 2019, 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\$2,321,197.99 ("Class Counsel Fees") inclusive of disbursements of CAD\$266,798.55, 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 CAD\$50,000.00 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 each of the Plaintiffs in the amount of CAD\$10,000.00. 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 submit 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 submit a claim for compensation from the Settlement, refer to the previously-issued notice of certification and settlement approval hearing, which is available at **www.baffinlandclassactionsettlement.ca**. 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**.

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 submitted 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 submit 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 Member 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.

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:

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
Website: **www.baffinlandclassactionsettlement.ca**

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
Email: anthony.obrien@siskinds.com
Telephone: 1-877-672-2121 x 2206
Fax: 519-672-6065
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.