APPENDIX E.8.2

QIA Inspection Reports and Responses

September 9, 2025

William Bowden
Environmental Manager
Baffinland Iron Mines Corporation
360 Oakville Place Drive, Suite 300
Oakville, ON L6H 6K8
William.Bowden@baffinland.com

RE: Mary River Project – Qikiqtani Inuit Association June 2025, 1st Annual Environmental Inspection Findings and Recommendations

Dear Mr. Bowden,

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease[1] No.: Q13C301 (CPL), issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), the QIA conducted a Site Inspection (Inspection) of the Mary River Mine (Project) in June 2025. Assol Kubeisinova of QIA conducted the inspection with technical support provided by Mitchell Kay of LGL Ltd. An overview of the inspectors' findings and recommendations is provided below.

The June 2025 Environmental Inspection Report has been appended to this letter for Baffinland's reference. Requested actions are outlined in the table found on pages 15 through 24 of the report.

If you have any questions or would like to discuss details, please feel free to contact me at your earliest convenience.

Nakurmiik,

Conor Goddard
Manager, Project Compliance and Monitoring
Qikiqtani Inuit Association
(P) 867.975.8385 or toll-free 1.800.667.2742
cgoddard@qia.ca

[1] QIA and Baffinland (2013). Commercial Lease No.: Q13C301

June 2025 Site Inspection

To:

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Conor Goddard / Manager of Project Compliance and Monitoring
CGoddard@qia.ca / Office: 867.975.8385

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Qikiqtani Inuit Association
1.800.667.2742
ᓱᑲᑦᑐᒃᑯᑦ / Fax: 867.979.3238
www.qia.ca

From: Mitchell Kay, Senior Aquatic Scientist, LGL Limited
Joseph Cavallo, Senior Biologist, LGL Limited

Date: 04 September 2025

RE: Water License 2AM-MRY1325 – Mary River Project Follow up Report to June 2025 Environmental Inspection

1 Introduction

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), LGL Limited (LGL) along with QIA representative Assol Kubeisinova conducted a scheduled Environmental Inspection (Inspection) of the Mary River Mine on June 18th and June 19th. Dr. Mitchell Kay conducted the Inspection from LGL. This was the first inspection of 2025 and will be followed subsequently by a second inspection during September 2025.

The governing objective of this report is to identify issues that in any way undermine or compromise QIA's mission to safeguard "the land, waters and resources" that sustain Qikiqtani Inuit within the Inuit homeland. An overview of the Inspectors' findings and requested actions are provided below. Photographs associated with the findings and requested actions made by LGL are provided in Appendix A.

2 Review of Reports

The following reports were received and reviewed prior to and following the completion of the Inspection. A quick summary produced by Baffinland is provided for each report.

KM105 Pond Seepage Update; Follow-Up Spill #2024-151 – January 22nd, 2025; Water Licence No.2AM-MRY1325

- The KM 105 Surface Water Management Pond (KM 105 Pond) was constructed as a key component of Baffinland's efforts to improve water management in accordance with Water Licence Modification No. 13, submitted to the Nunavut Water Board (NWB) on June 30, 2021. This modification aimed to address previous sedimentation issues observed at Deposit 1. Modification No. 13 was an adaptive management measure supported by a significant capital investment by Baffinland to better manage runoff from the Deposit, Mine Haul Road and surrounding hillside. Construction of the KM 105 Pond was completed in June 2022, and the facility was immediately commissioned to manage freshet runoff.

- Design parameters for the KM 105 Pond were intended to achieve adequate settling of total suspended solids (TSS) to meet Metal and Diamond Mining Effluent Regulations (MDMER) and Water Licence discharge criteria following 3 days of retention. However, the KM 105 Pond has not performed as expected and settling performance observed during 2022, 2023 and 2024 freshet periods did not meet the design intent.
- In response, Baffinland undertook a comprehensive evaluation of the KM 105 Pond's performance. This involved engaging with third-party engineers and water treatment experts to identify and assess potential mitigations and improvements. These consultations previously focused on identifying remediation measures for the dam structure and exploring strategies to enhance settling efficiency and improve water quality prior to discharge, to ensure compliance with regulatory criteria.

Information Request No. 1 – June 2025 Environmental Inspection (QIA); April 8th, 2025

- This Information Request is being issued by the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (Baffinland) with respect to the June 2025 Environmental Inspection as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). Table 1 provides a list of Information Requests. A response is requested by April 29, 2025, unless otherwise specified. QIA requests that Baffinland include a status update of items not provided by this date.

Information Request No. 1 – June 2025 Environmental Inspection BIM's Response; June 16th, 2025

The following correspondence from Baffinland Iron Mines Corporation (Baffinland) is a follow up in response to the Qikiqtani Inuit Association (QIA) with respect to the *Information Request No. 1 – June 2025 Environmental Inspection* as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The attached Table 1 provides a summary of the QIA's information requests and Baffinland's responses.

MSC Laundry Lift Station; Follow-Up to Spill #2025-145 – April 29th, 2025; Water Licence No.2AM-MRY1325

- While conducting scheduled inspections on March 29th, 2025, a housing maintainer observed a flashing warning light signalling for the lift station at the Mine Site Complex (MSC) laundry room. Upon further investigation he discovered that the amperage overload breaker for the low-level pump had tripped, rendering the pump non-operational. The high-level pump was also found to be inactive, though it was noted that the fluid level was insufficient to trigger the high-level pump float. Following this, the maintainer observed frozen untreated sewage near the lift station, estimated to be 195 litres in volume. The maintainer activated both pumps to reduce the fluid level in the tank to prevent the potential for a similar occurrence. The spill was contained to an area of approximately 12.2m^2 and was located approximately 550 meters away from the nearest water body, Sheardown Lake, which was currently frozen.

Information Request No. 2 – June 2025 Environmental Inspection (QIA); May 26th, 2025

- This Information Request is being issued by the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (Baffinland) with respect to the June 2025 Environmental Inspection as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The information is requested with respect to the two (2) Initial Spill Notifications received May 24, 2025, concerning high TSS releases at KM105 Dam, SDLT, CLT, CLSP and LDGF.

Information Request No. 2 – June 2025 Environmental Inspection BIM's Response; June 4th, 2025

- The following correspondence from Baffinland Iron Mines Corporation (Baffinland) is a follow up in response to the Qikiqtani Inuit Association (QIA) with respect to the *Information Request No. 2 – June 2025 Environmental Inspection* as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The attached Table 1 provides a summary of the QIA's information requests and Baffinland's responses.

Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202 – June 1st, 2025; Water Licence No.2AM-MRY1325

- On May 4th, an arctic diesel release occurred at the Milne Port Site Services laydown area from parked mobile fuel truck FLT020 when the main fuel product hose became dislodged from its fitting on the fuel truck. Approximately 1,850 liters of arctic diesel was released onto the ground in the immediate vicinity of the fuel truck. The spill was contained to an area of approximately 164.4m^2 on the laydown, located approximately 388m away from the nearest water body, Milne Inlet, which is currently frozen.

KM 106 Ore Stockpile Facility Contact Water; June 7th, 2025; Water Licence No.2AM-MRY1325

- On June 6th, 2025, at approximately 12:45pm, personnel observed contact water from the Km 106 Ore Stockpile bypassing the diversion berm and being released to the tundra. The water is now being redirected to a containment sump and is being transferred to the facilities containment area. Remedial actions to address the source are underway. The release did not migrate from the immediate vicinity downstream of the diversion berm and has not entered the receiving environment. Initial field readings of the release indicate elevated levels of TSS in exceedance of the applicable water license and MDMER criteria. Water quality monitoring and corrective actions will be presented in the follow-up report. The incident occurred on IOL located approximately 300 meters from Mary River, the nearest fish bearing waters. This spill is being reported as required by the conditions of water license no. 2AM-MRY1325, Part H, item 9(b) and section 31 of the Metal and Diamond Mining Effluent Regulations under the Fisheries Act.

Baffinland Blocked Culvert Notification; Blocked Culvert in fish-bearing waters – June 18th 2025; Water Licence No.2AM-MRY1325

- Baffinland has discovered what may be an after-effect of the unprecedented 1 in 1000 year rainfall the Mary River Operation experienced in September, 2024. Following the spring thaw, it has become evident a complete blockage of the culverts at crossing CV-187, which is identified as a fish-bearing crossing has occurred, due to an apparent internal collapse. CV-187 was constructed in May 2008, with one 900mm and one 600mm culverts installed. Both culverts are completely blocked with no way to clean them out.

2025 Freshet Locations SDLT, CLT, CLSP, LDFG; Follow-up to Spill #2025-227 – June 23rd, 2025; Water Licence No.2AM-MRY1325

- On May 23 and 24, 2025, as part of the Freshet Monitoring Program, water was observed flowing at Freshet outflow monitoring locations. Samples collected at the outfall locations of Sheardown Lake Tributary (SDLT), Camp Lake Settling Pond (CLSP), and Camp Lake Tributary (CLT) monitoring locations confirmed elevated concentrations of Total Suspended Solids (TSS). Samples for Landfill Gate tributary (LDFG) returned results that were not elevated, and the sample site has been removed from the follow up report. During this period, warming temperatures resulted in snowmelt runoff containing sediment laden water to enter the affected watercourses over a brief period of time. In accordance with the Surface Water Aquatic Effects Management Plan and the Snow Management Plan, sedimentation mitigation measures were implemented to settle sediments prior to entering the receiving environment.

- Monitoring of water quality and daily inspections, including YSI readings, of monitoring locations is conducted throughout freshet. Details of the CLT-OUT, SDLT-OUT, and CLSP-OUT sampling locations are provided in Table 1 and the Mine Site freshet monitoring locations figure in Attachment 2. TSS results for sampling conducted at SDLT-OUT, CLT-OUT, and CLSP-OUT are summarized in Table 2. Photos of the sampling locations are provided in Attachment 1. The sediment-laden water exceedances, reported to the NT-NU Spills Reporting Line as Spill #2025-227 on May 24 is provided in Attachment 3.

2025 Km 105 Pond; Follow-up to Spill #2025-226 – June 23rd, 2025; Water Licence No.2AM-MRY1325

- On May 22, 2025, water was observed flowing at the proposed MS-11 discharge location (MS-11), situated downstream of the Km 105 valley water management infrastructure (KM105 Pond). In accordance with applicable monitoring requirements, effluent characterisation and acute lethality testing was conducted

and submitted to an accredited third-party laboratory for analysis. Preliminary results identified elevated Total Suspended Solids (TSS), with a measured concentration of 31.2 mg/L on May 24th, 2025. Further, on May 24th, in response to receiving the elevated TSS result, water quality characterization and an acute toxicity sample was taken at the downstream receiving location of D1-05; the water quality was not acutely toxic. The exceedance occurred on Inuit owned land approximately 350m from water quality station D1-05, the nearest fish bearing water.

3 Site Inspection Observations

Dr. Mitchell Kay and Assol arrived at site on the evening of Tuesday June 17th and departed on the morning of Friday June 20th. Dr. Kay and Assol were escorted by a member of Baffinland's Site Service Department, William (Bill) Bowden, Environmental Manager. The evening of June 17th was used to review the schedule developed by Baffinland with input from QIA/LGL prior to the inspection. The first day was focused on the infrastructure located on the mine site around Sailiivik Camp (also referred to as the Mary River Mine site) while the second day evaluated the Tote Road and the infrastructure located at Milne Port. Special attention was given to regions of the project area that were affected by the unprecedented rain event during September 2024 and issues identified during previous inspections.

The weather hovered around 0 °C and was mostly sunny during the two-day inspection. There were no visibility issues due to rain or fog, which provided opportunity to conduct a thorough inspection of the project area. The Inspection started at ~7:00 am on June 18th. The Inspectors (Dr. Kay and Assol) and Bill were joined by Jessy St-Amour and Shannon Mulhall from Baffinland during the first and second day, respectively. Both Jessy and Shannon were the same personnel who supported Todd Swenson on the unscheduled inspection during October 2024 and continued to provide key insights to ongoing operations and follow up actions to the unprecedented rain event.

3.1 Waste Rock Facility

On the morning of June 18th, the Inspectors travelled with Bill and Jessy via light duty truck from Sailiivik Camp to the waste rock facility at the top of the mountain. Visibility hampered the evaluation of the waste rock facility during the October 1st, 2024, unscheduled inspection, but clear conditions allowed for examination of the pond, treatment facility and surrounding tundra. On the way to the top of the mountain, dust was observed blowing from the mine haul road to the point where it was difficult to see the road in front of the light duty truck. While travelling up the mountain, the new aggregate pad could be viewed and was evaluated during the crusher pad inspection. There was no change in the location of the potentially acid generating rock. The Waste Rock Facility (WRF) Surface Water Management Pond (SWMP) was not actively discharging because the spring freshet had not happened yet at the top of the mountain compared to other regions of the project area. The pond and mountain were still snow covered. Rough estimates suggested the temperature was 5 to 7 °C colder at the top of the mountain than at Sailiivik Camp. In preparation for the spring 2025 freshet, Baffinland purchased more pumps to ensure adequate amounts at each pond. The pump was not running during the Inspection, but water samples were being collected weekly from the pond to measure concentrations of TSS and other water quality parameters. Two new silt curtains were installed at the middle and far side of the larger waste rock facility pond, which should help reduce the turbidity of the water being discharged. The Inspectors asked Bill if the waste rock facility liner was going to be tested for leaks as it was identified during a previous inspection there could be a leak. There are no current plans to test the liner as Baffinland would like to do additional testing on the groundwater in the region. The seepage, from either groundwater or surface water leakage is being pumped actively back into the pond from the ditch system around the pond. It was anticipated, the smaller pond will be pumped into the bigger pond during the freshet to help control discharge and minimize potential for erosion or spills.

The waste rock treatment facility was online, which has not been the case during the previous two inspections (unscheduled and second annual inspection during fall 2024). Baffinland will be dosing the water with ferric acid,

lime and a polymer flocculant based on the water quality measurements. The retention time of the water is based on the flow, which is rated at ~220 m^3/hr. A new pressure transducer was installed at the waste rock facility to track the flow in and flow out, which has been identified previously as a gap. The new pressure transducer and addition of external pumps should enable Baffinland to be more proactive in their mitigation plans at the waste rock facility. For example, during the unprecedented rain event, there were not enough pumps on site to control the water. This led to Baffinland prioritizing regions of the project area and having to move pumps around instead of having an adequate number to cover the entire project area. Bill also informed the Inspectors that the service road to the waste rock facility was open during the winter, which has not been the case previously. This allowed for winter maintenance to occur on the facility.

3.2 KM106.5

During the September 2024 inspection, the environmental inspectors noticed sediment-laden runoff originating from up-slope on the mountain and running into the north ditch of the haul road at KM106.5. The sediment laden water was visibly turbid. A noticeable increase in turbidity was observed when sediment laden water mixed with the relatively clear runoff from the haul road ditch. Baffinland followed up with a report that included drone imagery of where the sediment-laden runoff was originating. During the June 2025 inspection, the Inspectors stopped at the same location but did not observe sediment-laden runoff. The water flowing through the mine haul road ditches was clear with no signs of elevated concentrations of TSS. The Inspectors stopped at two locations in this region to confirm concentrations of TSS were not elevated.

3.3 KM106

There were no observed changes to the ore stockpile located at KM106 SWMP. Baffinland has continued to follow recommendations from previous inspections to pile fine sediment in locations less likely to cause large-scale erosional events. As reported above, contact water from the KM106 ore stockpile bypassed the diversion berm and was released to the tundra on June 6th, 2025. The report indicated concentrations of TSS were elevated above the applicable water license and MDMER criteria. The spill location was examined by the Inspectors, which was contained to the ditch on the side of the service road along the stockpile and pumped directly into the KM106 SWMP. The water did not enter the tundra region outside of the project area or the Mary River as suggested potentially during the report. The Inspectors and BIM staff discussed the importance of clarity and careful descriptions of events for future spill reports to ensure QIA staff, regulators, government officials and LGL receive the information clearly and effectively.

There was no overflow during the spring freshet at the KM106 SWMP, and the water was low. The pond was not being discharged actively, but samples were collected regularly to monitor the water quality parameters. The priority communicated by Baffinland was to discharge the crusher pond prior to the KM106 pond. There were no reported issues with the liner of the KM106 SWMP. The Inspectors accompanied by Bill and Jessy walked around the area surrounding the pond. The spillway has not been activated and there was no evidence of sediment in between the rocks. However, as with other project areas there was noticeable dust deposition on the tundra beside the spillway and the slope leading down towards Mary River. An arctic fox was spotted on the project area at the KM106 ore stockpile.

3.4 KM105 Infrastructure

3.4.1 Upstream Chemical Dosing Location

While descending the mountain, the Inspectors stopped at the chemical dosing location upstream of the KM105 infrastructure. There were still noticeable signs of the rain event as water continued to flow around the dosing station due to a flow path developed during the September 2024 unprecedented rain event. Baffinland has changed the operation of the chemical dosing station as lime and ferric acid were no longer being added to the contact

water. Only polymer flocculant was being added. Bill and Jessy indicated this operational change was because Baffinland was having trouble balancing the chemicals properly and testing onsite demonstrated polymer was performing extremely well without the lime and ferric acid. As described in the 'KM105 Pond Seepage Update' report, the grout used to fill voids causing the seepage was not sealing the dam, which resulted in water leaking through the KM105 dam. Additionally, the grout was rapidly increasing the pH of the water due to the interaction. This was recorded numerous times by Baffinland in their environmental monitoring reports. Based on the data collected during the 2025 freshet, most of the grout was 'flushed' last year and the pH of the water appears to be relatively stable compared to last year. The Inspector (Assol) requested Baffinland conduct more thorough monitoring upstream and downstream of the dosing station to ensure the quantity of polymer added the contact water is accurate. Currently, a jar test is being completed every 6 hours upstream and downstream of the dosing station. Additionally, some crates of lime were not labelled fully, which is a health and safety risk to workers and inspectors on site. Unlabelled crates and containers were also identified at numerous locations described below in further detail.

3.4.2 Filter berm

The Inspectors proceeded to the newly constructed filter berms downstream of the chemical dosing station, which were categorized as a trial run during the 2025 monitoring season. The filter berm was not designed by an engineer and there are no formal drawings, but Baffinland committed to designing a proper engineered filter berm if the results from this year were unfavourable. The upstream section of the filter berm was geotextile; the middle section was a finer aggregate and the downstream was coarser aggregate. There were additional smaller filter berms constructed upstream of the larger filter berm inspected. Based on preliminary results, it appears the filter berm system was performing well, but this may be a product of a slower freshet than previous years. The Inspectors asked Baffinland if there was a plan to deal with the build-up of sediment upstream of the filter berm and within the interstitial spaces of the filter berm. Additionally, the Inspectors asked Baffinland if there were concerns about having water bypass the system similarly to the KM105 dam.

3.4.3 KM105 Pond

The KM105 dam looked similar to previous years but was no longer being relied upon as the single source of treatment. Effectively, KM105 dam is now a large-scale filter berm due to the porous nature of the infrastructure. The water was passing through (under) the dam and flowing into the culvert similarly to previous inspections, but a notable difference was the colour of the water. During the June 2025 inspection, the turbidity of the water was visually much lower than previous inspections as the water has been very turbid. There was no pumping of the water back or use of the geotube/filter bag because the water quality was much improved. As described above, a large challenge for Baffinland in addition to the turbidity was high levels of pH. Due to no longer adding lime and ferric acid and flushing of the grout, it appears the levels of pH in the water have stabilized. There continues to be challenges with the KM105 water treatment plant constructed during 2024 and due to these challenges, the treatment plant was not incorporated into the spring freshet water and sediment management plan. Overall, Baffinland has started to adapt a treatment train approach including multiple treatment locations, which was recommended during previous inspections by inspectors. LGL believes multiple lines of treatment and controlling at the source is the best approach forward.

3.4.4 Polishing pond and final discharge point

At the polishing pond located 300 meters downstream of the KM105 Dam and behind the MSC (See KM 105 Pond Seepage Report for further details on location), a new silt curtain was added in addition to the original one. Baffinland viewed these silt curtains as an extra precaution and anticipates the filter berms will be doing the majority of the treatment. The final discharge point is the same as described in the 'KM105 Pond Seepage Update' report, which has two silt curtains installed. Baffinland suggested this location may have similar challenges as KM105 due to the slopes being the same as the upstream location. Baffinland will not be building another pond at

this location, which was rationalized by lessons learned from the KM105 dam and pond system. However, Baffinland will be monitoring the water quality rigorously at this flow through location. The engineered structure at the final discharge point will be installed as soon as possible, but as discussed on site Baffinland cannot expose the permafrost on the slopes. Exposure of permafrost will lead to the same problems as at KM105. Thus, a weir may not be possible because they cannot excavate the area. Discussions are ongoing internally at Baffinland to develop the best possible solution based on knowledge gained from KM105.

3.5 Crusher Pad

A complete inspection of the crusher pad was conducted by the Inspectors. The inspection of the pad started at the Crusher Surface Water Management Pond, and the Inspectors were escorted by the superintendent of the crusher pad (Spencer Stinson). The Crusher Surface Water Management Pond was not discharging water during or prior to the inspection because the water quality (concentration of TSS) did not meet the discharge requirements. The ditching system was pumping water from the pad area back into the pond. Baffinland anticipated the crusher pad would be ready to discharge shortly and it was scheduled to be the next pond discharged. The pond as whole received very little water as it was mainly collecting rainwater.

The Inspectors continued to the new crusher laydown, which started construction during the winter months. The crusher laydown was not completed yet but was still on schedule. The service road between the crusher pad and the crusher laydown was sloped towards the crusher pad to ensure any runoff from the crusher pad was not reaching the crusher laydown and leaving the crusher pad project area. Baffinland explained the construction of the slope was because the crusher pad and crusher laydown have two different regulations. The crusher pad is under the MDMER regulation while the new crusher laydown is not. The inspectors walked around the crusher laydown but no major findings to report besides construction and piling of aggregate is ongoing.

All three of the crushers (Crusher A, Crusher B and Crusher C) were operational during the inspection. Crusher A was crushing class 1 material while Crusher B and Crusher C were crushing class 3 material. Specifically, Crusher C was currently crushing aggregate used for the new aggregate pad. Active dust suppression measures were installed fully at Crusher C while only installed partially at Crusher B. Dust suppression and anti-freeze were applied during the winter while during the summer only water will be applied. Baffinland described the winter as the most challenging season for the crusher pad and dust control because more dust is generated than other seasons. Baffinland experimented with different application point during the winter in an attempt to optimize the process and reduce dust.

Baffinland anticipates the addition of more crushers with the expansion of the Steensby rail line, which may produce further challenges with dust suppression. A couple different options were explored such as lowering the conveyer belts, flaps and other mechanical adjustments, but overall Baffinland believes the strategy at the crusher pad will need to be adjusted to account for the increased workload. An emphasis has been placed on uptime of the crushers instead of throughput, which led to the infrastructure breaking and malfunctioning regularly. Baffinland is committing to proper maintenance of the equipment and understanding why the machinery is not functioning as intended versus previous approaches, which were to just discard the broken equipment. A large component of the change of strategy is related to Baffinland's need to crush more aggregate during the next couple of years as aggregate will be needed for infrastructure projects associated with Steensby. There are no updated plans for dust management with the aggregate crushing. It was slightly unclear, but Dr. Kay believes it was communicated that dust data collected during 2025 from Purple Air Monitors at the crusher pad will inform ongoing management plans for aggregate crushing. Nonetheless it was agreed that aggregate crushing will produce more dust than ore crushing and a robust monitoring and management plan needs to be in place for these activities. Assol identified a couple totes of hydrocarbons without a spill tray, which was communicated to Baffinland during the close out meeting and likely has been rectified prior to the submission of this report.

3.6 Region Sheardown Tributary behind Sailiivik Camp

3.6.1 CV187

After the crusher pad inspection, the Inspectors travelled to the region behind Sailiivik Camp, which has long been a key stop on the inspection. Before the inspection, Baffinland communicated through the 'Baffinland Blocked Culvert Notification' that CV187 was blocked. There were two culverts at this crossing installed during 2008. Both of the culverts collapsed internally during the winter and spring freshet, which was an impediment to fish passage. During the spring freshet, Baffinland was pumping water across the road. This approach helped with water management, however, still blocked fish passage. The inspection of the blocked culvert occurred on June 18th but was slated to be repaired on June 21st only three days after the inspection. This was further communicated by email to QIA and should be evaluated during the August 2025 inspection to ensure technical accuracy. Both Stantec and DFO were involved in the culvert reconstruction prior to construction on site. During the inspection of the culvert CV187, Dr. Kay asked specifically about plans for future geotechnical drilling in the tundra beside Sailiivik Camp as there were ongoing operations during 2024. The drilling logs were included in the annual report and there are no plans for future drilling because of permafrost below the tundra.

3.6.2 Sheardown Tributary

Generally, the water quality behind Sailiivik Camp at Sheardown Tributary was the clearest (low turbidity) Dr. Kay has observed visually during any inspection. There were likely a couple reasons for the improved water quality. First, Baffinland has reduced the use of silt fences through this region and increased the amount of coir logs as requested by Dr. Kay during the October unscheduled inspection and LGL inspectors during previous inspections. Secondly, the improvements made during the 2025 spring freshet at the KM105 infrastructure. Thirdly, Baffinland modified their snow management plan to ensure snow was not being pushed into the tributary, which was demonstrated to negatively influence water quality (see LGL June 2024 Report). The largest modification to the snow management plan was to excavate the snow from this region instead of plowing or clearing. The Inspectors discussed with Bill the S-bend behind Sailiivik Camp being at a lower elevation than the surrounding area, which results in erosion of sediment into Sheardown Tributary. A strategy discussed was to potentially setup a pump system to pump the water out of this region to Camp Lake Tributary. Further water treatment facilities would be installed but this may alleviate some of the erosion through this depression on the landscape. Additionally, Baffinland will be testing geo cells behind Sailiivik Camp. The geo cells are a woven structure composed of rubber tires inserted directly into the road and hopefully will further reduce erosion.

Culvert 88, located behind Sailiivik Camp, was collapsed internally but still allowed some water to flow. There were no plans to replace this specific culvert. Further downstream near the confluence of Sheardown Tributary and Sheardown Lake there were no signs of erosion on the banks following the spring freshet. The lack of erosion at this key confluence likely supports Baffinland's hypothesis of a pretty slow melt compared to previous years. There was still ice of lake, but there was water flowing into the lake and the edge of the lake was clear. The silt curtain was functional but does need to be reset at the mouth of the tributary and likely could use some quick repairs to ensure structural integrity.

3.7 Camp Lake

Camp Lake was still frozen during the inspection. There was some melt occurring around the edges of the lake similar to Sheardown Lake but no major findings to report. The check dams around Camp Lake may need to be cleaned out eventually due to sediment build up but this was discussed with Bill as not an urgent issue. The armouring still looks good and there were no structural integrity issues to present.

3.8 General Site Operations at Sailiivik Camp

The last part of June 18th was dedicated to inspecting general infrastructure on site. In addition to Bill, Eli Lannelli the superintendent from Site Services escorted the Inspectors through key infrastructure. An overarching comment from Eli while we were driving was recently there has been a strong focus on removing assets from site that are no longer in use. Previously, Baffinland's opinion was to keep all assets on site as they may need them for future projects or endeavours. For example, old equipment will be shipped south in sea cans instead of piled on site or some of the old tents will be dismantled as they are no in use.

The first stop with Eli was at the oil/water separator located close to the environmental service tent and far side of the airport. The Inspectors (Assol) noticed there were totes in standing water, which were unlabelled. Baffinland agreed and stated the totes would be labelled quickly after the conclusion of the inspection. The oil/water separator was working as intended and there was a nearby groundwater well that is sampled annually to evaluate groundwater quality. The pump discharges the clean water at a rate of 20 gallons per minute onto the tundra. Water quality samples are collected from the end of the pipe.

The other infrastructure inspected with Eli was the wastewater treatment plant, landfill, landfarm, incinerator and sewage plant. The Inspectors appreciated the effort and time taken to meet, but there were no major findings to report from these locations. Of interest, the landfill was expanded to zone three and there is a request for proposal out for consultation services for designs of zones four and five. A minor note from the Inspectors (Assol), was regions of the landfill had large volumes of standing water that could be negatively effected by the landfill. We requested Baffinland pump this water to a different location. Additionally at the land farm located beside the landfill, the soil from the spill documented in the 'Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202' report was bagged and piled here. There were no current plans, but the Inspectors were reassured by Baffinland monitoring was ongoing while a plan was being devised.

4 Tote Road

The second day of the Inspection was on June 19th, which consisted of examination of the Tote Road, water crossings including bridges and culverts and infrastructure at Milne Port. The Inspectors were accompanied by Shannon Mulhall on the Tote Road. The temperature was similar to the first day of the Inspection, but it was sunnier. A general theme of the conversations while travelling down the Tote Road was discussing ongoing dust suppression methods. While Dr. Kay was on site, calcium chloride was being applied to sections of the Tote Road close to Sailiivik Camp and Milne Port, but not in the middle of the Tote Road. A noticeable difference was observed between these regions of the Tote Road. There was much less dust directly after the calcium chloride was applied, which was a step in the right direction for dust control measures. The middle section of the Tote Road was dustier, which was more comparable to previous Inspections. The Inspectors observed some water trucks but continued to recommend more water trucks need to be active on the Tote Road. Baffinland was down one water truck as the truck caught fire during the previous week at KM94. Assol requested the truck be drained of any fluids that could be hazardous to the environment.

4.1 KM97

The first water crossing on the Tote Road the Inspectors stopped at was the KM97 Bridge. There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both sides, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. The culverts and bridge abutments both looked good at this crossing, and no ecological or structural issues were noted here.

4.2 CV001 (KM95)

The 2024-2025 winter season was the first winter for this culvert after replacement. There were no major concerns here and the culvert was embedded ~40%. The embedding of culverts was a strategy discussed between Stantec and Baffinland. While at this culvert, the Inspectors and Baffinland discussed strategies for future culvert replacements. Overall, Baffinland communicated to the Inspectors that they were working closely with Stantec to conduct culvert-specific assessments and not taking single approach for all culvert replacements. A key factor is understanding the depth of permafrost at each culvert, which will greatly influence the design process. Baffinland's plan is to replace 13 culverts during Q4 of 2025, which the Inspectors requested the schedule of replacement once available. This will help QIA track ongoing construction progress on site and be used to inform future inspections.

4.3 BG04

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report here. There was a small wash out that Baffinland will follow up on to ensure there will be no future ecological harm. While driving to the KM87.5 washout, caribou were observed at KM91. They were in a similar location on the way back from Milne Port.

4.4 87.5 Washout

This washout was a focal point of the unscheduled inspection during October 2024. The road was repaired and most of the sand was removed from the road. The culvert here had no structural issues. The Inspectors identified on the upstream side of the culvert there was potential for fish to be stranded in the pool located on the left side. This is due to a new flow path following the unprecedented rain event, which developed an isolated pool under low flow conditions. The Inspectors recommended Baffinland watch the water balance of this stream and pool to ensure the pool is not isolated during low flow. If the pool is isolated, Baffinland should alter the flow paths at this location.

4.5 CV216

This crossing had an emergency quick installation of a culvert due to structural problems with the other culverts identified by Baffinland. Baffinland will be working with Stantec and DFO to develop a permanent solution for the crossing. Stantec has identified a large ice lens (permafrost) under the crossing that may hinder typical solutions. There were five culverts, however, only one of them was flowing while the other 4 were blocked completely. The downstream side was in better condition than the upstream side of the culverts. The Inspectors believe fish passage was only possible through the emergency repaired culvert while the four were not passable.

4.6 KM80

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both side, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. Additionally, this location is used by the water trucks to refill tanks of water while applying water on the Tote Road for dust suppression.

4.7 KM64

This location was washed out completely during the unprecedented rain event during September 2024. There were new channels formed due to the erosion of sediment during the event. Baffinland reshaped the road in this region of the Tote Road after the rain event to hopefully reduce erosion. The new culverts are embedded at this crossing and there were no structural integrity issues.

4.8 KM63.5

There were new culverts installed prior to the unscheduled inspection, but after the unprecedented rain event. On the hill side of the crossing, there was still large amounts of erosion, and the embankment was sliding out. There were a couple of new flow paths unearthed because of the erosion. Baffinland suggested many of the new flow paths were subsurface flow prior to the erosion and are now surface water flow paths. These new flow paths should be added to Baffinland's ongoing monitoring of the culverts to ensure there are no influences on key water quality parameters such as TSS. The new armour stone after the washout appears to be working as intended during the spring freshet. There was a total of 21 culverts washed out during the unprecedented rain event but 3 still remain scattered across the tundra. Baffinland will be following up CIRNAC and likely will retrieve these culverts during the winter. The concern voiced by Baffinland was moving heavy equipment down into that area could have negative consequences for water quality due to erosion. As noted previously, there were many new channels also on the downstream side of the culvert.

4.9 KM63 Bridge

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both sides, which should help to improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. There was some new armouring of the soil surrounding the bridge to help reduce erosion. The culverts here were also perched but Baffinland stated (and has stated previously) DFO is okay with the perched culverts because the main stem of the river is the major crossing. The channel flowing into the culverts was low and is expected to be low during most of the open water season.

4.10 CV57

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report here. This culvert was submerged and was lined with substrate.

4.11 CV59

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report. This culvert was submerged and was lined with substrate. A new rock apron was constructed around the upstream and downstream side of the culvert. DFO suggested the apron might be too thick and should be thinned out a little bit. Baffinland will need to monitor water levels here to ensure the apron is not preventing flow during the low flow periods of the year.

4.12 CV79 @ KM51

At KM51, almost half of the road and half of the culverts were washed out due to the rain event during September 2024. Baffinland is discussing with DFO on how to reinstate with a permanent design or reinstall the same structures. The flow looked okay through these culverts, but the culverts were angled down. The Inspectors were unsure if this would allow flow/fish passage at lower flows. The permanent flow culvert was perched above the water. The downstream side was better than the upstream side, but clear indications were that more work was going to be needed on these culverts.

As noted above, dust through the KM60 and KM50 region of the Tote Road was much more noticeable due to no application of water or calcium chloride. Discussions continued at this point with Baffinland on increased application of water and calcium chloride. The Inspectors asked if a schedule was being followed but Bill was unsure, but suggested it was unlikely a schedule was being followed.

4.13 CV102

There were some concerns here around bowing in the middle of the culvert from the road and with the apron. Baffinland is working with DFO to make pools on the downstream side. The upstream side of the culvert was an example of mud and sediment being trapped on the apron, which has the potential to hinder flow.

4.14 KM17 Bridge

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both side, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. Additionally, this location is used by the water trucks to refill tanks of water while applying water on the Tote Road for dust suppression.

4.15 Milne Port

The Inspectors were toured around Milne Port. The two ponds (MP05 and MP06) were inspected while at Milne Port. Baffinland informed the inspectors after amendments to the water license, these ponds are no longer subject to any water quality parameter criteria and could be discharged directly into the marine environment. Baffinland is still monitoring these ponds as part of their aquatics monitoring program. The main parameters will be concentrations of TSS. The water was low during the inspection and new silt curtains were installed at each pond. There were no concerns about the structural integrity of the ponds.

The fuel spill described in the 'Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202' report was fully cleaned up even though Baffinland reported this would be a phased approach in the report. There were no lingering concerns from the Inspectors about the spill and there was no evidence of the spill exceeding the reported area. The drive back from port was dustier than the drive to port, which was noted with Baffinland during the drive.

Below, Dr. Kay describes the overall thoughts of the inspection and key recommendations and action items for Baffinland.

5 Summary and Information Requests

A Scheduled Environmental Inspection of the Mary River Project Area was conducted by Dr. Mitchell Kay from LGL and Assol Kubeisinova from QIA on June 18th and June 19th, 2025. The Inspection covered the normal schedule, but special emphasis was placed on regions impacted by the unprecedented rain event during September 2024. The overall impression of Dr. Kay was regions influenced negatively by the rain event were restored to their pre-rain event state. A lingering issue from the unprecedented rain event was there was still culverts scattered across the tundra at KM63.5. While the quantity was reduced from 21 to 3, these culverts need to be retrieved. Dr. Kay would also like to acknowledge there was good and continued progress on many issues that LGL have raised previously, but caution there are still some ongoing issues. These ongoing issues were raised at the close out meeting with Dr. Kay, Assol, Bill, Katie and Shannon on the last day of the inspection.

The only item Dr. Kay has for the information request following the Inspection would be the schedule for the culverts replaced. Bill indicated that Stantec would be on site the week following the Inspection and Baffinland would be able to communicate the order the culverts would be replaced.

6 Critical Recommended Actions

The Inspectors (Assol) identified and reported to Baffinland numerous locations where totes or containers full of liquid were not labelled properly. The two examples provided in the report were at the crusher pad and water/oil separator fuel berm. Some of the totes were sitting in an unknown liquid. We recommended Baffinland ensures all

containers are labelled for the safety of the workers and stewardship of the environment. In addition to the labels, Baffinland should ensure proper storage of the containers (i.e., not sitting in standing water or unknown liquids). This was discussed at the close out meeting.

As recommended previously, Baffinland needs to continue to implement more robust erosion and sediment control measures across the entire project area. Dr. Kay would like to acknowledge there has been good progress on this issue as demonstrated by increasing the quantity of coir logs behind Sailiivik Camp, which rapidly decreased runoff and concentrations of TSS in Sheardown Tributary. The outcome of these actions was visually the concentration of TSS was the lowest Dr. Kay has observed at this location during an inspection. However, we continue to recommend addition of coir logs to key locations across the project area to further reduce erosion. This was discussed during the inspection and at the close out meeting.

The shortcomings of the KM105 Dam have been well-documented during previous inspections and subsequent reports. The extreme rain event highlighted many of the concerns QIA has voiced regarding treatment of runoff from the active mine area and haul roads. During the 2025 winter season and spring freshet, Baffinland acknowledged the KM105 Dam was not working as intended and modified their sediment treatment approach. We have long recommended Baffinland use a treatment train approach versus the single KM105 Dam. Based on preliminary results, it appears the approach Baffinland employed during 2025 was much improved compared to previous years as there were few exceedances downstream of the KM105 infrastructure. However, while Dr. Kay and Baffinland agree there have been improvements compared to previous years, there are still some concerns. The spring 2025 freshet was gradual compared to previous years and could be one of the mechanisms for reduced exceedances. Additionally, Baffinland is still exploring internally the best option for the flow structure at the final discharge point. As discussed above, a weir is very unlikely due to concerns of permafrost degradation. We recommended Baffinland continues to monitor the KM105 treatment measures closely to ensure sustained high concentrations of TSS and potentially other contaminant of concerns are not entering fish bearing habitat. Additionally, Baffinland should provide QIA regular updates on the engineered structure at the final discharge point.

During the inspection, the Inspectors evaluated many culverts across the project area that spanned from recently replaced to sorely needing replacement. Bill informed the Inspectors that Stantec will be on site the following week to complete culvert specific analysis to inform the design of the new culverts. The culvert replacement work will be a joint effort between Baffinland, DFO and Stantec. We recommend Baffinland provides an update on this and potentially a schedule of culvert replacements if available at point.

A long ongoing issue identified in numerous previous inspections is dust control and mitigation strategies across the project area. LGL conducted mineralogical and particle size characterization during 2024, which determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road-Side Maintenance material. Since this analysis, Baffinland has been applying calcium chloride to the Tote Road. As described above and demonstrated in the photo log, immediately after the application of the calcium chloride solution there was noticeably less dust on the Tote Road. However, there were large sections of the Tote Road and project area that calcium chloride and water was not being applied. We recommend Baffinland continues to refine the application of calcium chloride, which may include but not limited to increased frequency of trucks including water trucks, scheduled application and further exploring the best solution for mitigating dust. Collectively, these would further improve the progress on this issue. A summary is provided in Table 1 below.

7 Conclusion

Dr. Kay views the overall inspection as a success and observed good progress on many issues identified previously by inspectors. On this inspection there was no major or wide-spread issues to report and some of the issues reported here are likely already address by Baffinland (e.g., labelled of totes). Nonetheless, Baffinland needs to deliver on the promises made during the Inspection such as the timeline of culvert replacements, KM105 infrastructure and dust control and mitigation strategies.

Should you wish to discuss any aspects of this letter, please feel free to contact either of the undersigned.

Respectfully submitted,

LGL LIMITED

Mitchell Kay, Ph.D.
Senior Aquatic Scientist

Joseph Cavallo
Senior Biologist

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)**
1	Crusher pad and water/oil separator fuel berm	Totes were not labelled properly and located in an unknown liquid.	• Totes should be labelled to reflect the liquid contained. • Totes and fuel drums should not be sitting in unknown liquid. The liquid should be removed and disposed of following proper protocols.	**New concern identified during June 2025.**
2	New sediment treatment approach prior to Sheardown Tributary and fish bearing waters.	Baffinland has provided an updated approach for treating sediment upstream of Sheardown Tributary. In essence, KM105 Dam has been abandoned, and a treatment train approach has been established upstream.	• Continue to monitor the efficacy of the new approach, which is described in the June 2025 Memo. • Provide an update on the flow structure at the final discharge point. • Baffinland should have a plan in place for future spring freshets of higher intensity.	**New concern identified during June 2025.**
3	Water crossings on the project area	Replacement of culverts. Baffinland stated a schedule of culvert replacements would be produced based on priority.	• Provide QIA with a schedule of culvert replacements.	**New concern identified during June 2025.**
4	Ditches along the Mine Haul Road	The informal ditches are collecting road and hillslope runoff and is flowing downstream unchecked and with no controls during high flow periods.	• The ditches should be reconstructed and sized to convey high flows, and rock check dams should be installed per typical specifications to reduce	No action observed. **No sediment laden waters were observed during the June 2025 Inspection.**

LGL Limited – Ecological Review of the Mary River Project				
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		Sediment-laden runoff was observed on September 11 originating from up-slope at approximately KM 106.5 running into the north ditch of the haul road.	velocities, allow for settling and to reduce erosion in the ditches. • Reduction of TSS entering KM 105 pond in upstream catchment will significantly aid in reducing treatment issues in the control pond. • The source of the sediment-laden runoff observed at approximately KM 106.5 should be assessed and remediated to prevent further sedimentation into the Haul Road ditch. We recommend effort be placed on prevention of sediment laden sources of water from entering runoff which contributes to the KM 105 pond input and placing emphasis of treatment at the source.	

LGL Limited – Ecological Review of the Mary River Project				
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5	KM 105 Pond Sedimentation Pond (North Embankment)	Seepage under the constructed dam structure related to the incident on July 14/15, 2022, and May 20, 2023. The new water treatment system is not functional until the dam is repaired, and water is held back upstream of the dam.	A report documenting the status of the KM 105 embankment foundation repair is requested. The design, operation, and performance criteria specified for the new installed KM 105 Water Treatment Plant are requested. Can BIM confirm what contingency measures will be implemented to ensure that water with elevated TSS from the mine area is not released into the receiving environment downstream of the secondary pond adjacent to the downstream toe of the NW embankment under the full range of flow conditions expected at the site?	**KM105 is no longer part of the treatment plan.**
6	KM 105 Sedimentation Pond (Southwest Embankment)	Significant failure of the upstream slope. Cables and readout boxes for two thermometer strings were observed adjacent to the crest. BIM staff explained that the cables had been extended data collected	A map providing the as-built names and locations of all thermistors that were installed at and are associated with the KM 105 SCP is requested. Plots of collected thermistor profile data are requested to assess the nature of permafrost at the locations	No action required.

LGL Limited – Ecological Review of the Mary River Project				
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		by personnel designated as responsible for collecting this data. What is the operational state of all installed thermistors and has the collected data been plotted and analyzed?	where thermistors have been installed.	
7	Throughout the project area but particularly at stream crossings	High amounts of road sediments are entering stream channels and lakes throughout the site. Rain and snowmelt events exacerbate this.	We recommend that an effective sediment and erosion plan be implemented, and that regular and post-flow event monitoring occur by qualified individuals. ESC controls such as coir logs, sediment curtains and other measures (as possible for this environment) be used liberally. Examples of locations to use these measures include: • Roadside margins to prevent and/or divert sediment-laden water from flowing towards streams and/or lakes • Areas adjacent to waterbodies to prevent sediment-laden water from entering streams and/or lakes.	Yes, some stream crossings have been lined with extensive areas of angular rock. We continue to recommend more liberal use of coir logs along any of the roads, to prevent sedimentation into the streams and lakes. **Coir logs have been placed along the road behind Sailiivik Camp to reduce erosion into Sheardown Tributary.**

LGL Limited – Ecological Review of the Mary River Project				
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			We suggest that sediments be controlled at the source as the first step in the treatment train of measures. A maintenance staff and program are recommended to respond to issues in a timely and effective manner. Issues should be proactively addressed (i.e., prior to rain events or spring freshet).	
8	Throughout the project area but particularly along the Tote Road	Excessive amounts of dust from heavy equipment and haul trucks observed throughout the project areas, but particularly along the Tote Road have previously ben observed. Significant airborne dust was not noted during this Inspection along the tote road, due to the relatively wet conditions due to recent rain.	The mineralogical and particle size characterization conducted by LGL and MISL, determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road. One of the major constituents (chlorite), is relatively hydrophobic and may not respond effectively to water-based dust suppression techniques. LGL recommends BIM uses the knowledge generated from this effort to further explore dust suppression techniques with the highest performance efficacy on clay minerals and K-feldspar. We understand through discussion with	No effective dust suppression action observed. **In locations where calcium chloride was applied there was notable declines in dust. However, this was not applied regularly throughout the project area.**

LGL Limited – Ecological Review of the Mary River Project				
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			BIM that they have worked with specialty companies such as Veolia in the past. We encourage that the results of the Tote Road analysis be shared, and the most effective and safe product be trialled. We also suggest the following as an interim measure, until a suitable product with efficacy greater than water can be determined: • Regular schedule of water trucks to continually spray the road surface to discourage any mobilization of dust (depending on time of year). • Increase the number of water trucks available at any given time. • An effective early notification system is required to alert managers when dust levels are increasing.	

LGL Limited – Ecological Review of the Mary River Project				
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			• Regularly wash heavy equipment to remove sediments and dust. • Monitor airborne dust levels and the accumulation of dust on the tundra. • Develop a monitoring methodology for dust dispersion to determine 'hot spots' and to determine various levels of impacts. • Monitor the long-term health of tundra vegetation within an area of impact determined on the above.	
9	Immediately downstream of pond KM 105	Fine sediments (silt/clay) were observed in the areas downstream of the KM 105 dam. These sediments are believed to be a result of the dam bypass and from high sediment load events. The sediments appear to be fine silts/clays. These introduced fine sediments have the potential to change the shallow soil characteristics (nutrient balance, pH, and other edaphic	• Remediation of the KM 105 pond dam and upstream channel will minimize the amounts of fine sediments able to travel downstream. • Continue to monitor turbidity, water levels and chemical parameters in pond KM 105. • Increased ESC controls should be employed to minimize entrained sediments and encourage	Yes, but attempts to repair KM 105 pond have been unsuccessful. **KM105 is no longer part of the surface water management strategy.**

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)**
		characteristics) and have an altering effect on the native vegetation.	settling (turbidity curtains, silt fencing, filter logs, etc.) • The functionality of the water treatment system would help to effectively treat water quality	
10	Immediately south of the mine road adjacent to the Sheardown Lake Tributary	The mine road is immediately adjacent to the Sheardown Lake tributary for approximately 200 m on the south side of the mine road. There is a potential for sediments from the road to directly enter the tributary following rain and snowmelt events. Snow with high sediment load was observed in the stream channel in June 2024. No actions to prevent this from occurring again were observed.	• Sediment control fencing or other method of erosion and sediment control (ESC) should be installed at the base of the road to minimize/prevent future sedimentation impacts. • Snow clearing operations should avoid pushing snow into the stream channel. Effective marking of the area, visible during the winter would avoid this issue.	No action observed. The installation of coir logs or other ESC measures could help to prevent road sediments from entering the stream channel. **Coir logs were installed during spring 2025.**
11	Waste Rock Facility Water Treatment Plant at top of Mine Site	We observed the Treatment Plant at the top of the Mine Site where ferric-flocculant- lime treatment train was in use to mitigate low pH runoff from the mining areas. Effluent was discharged several hundred metres to the east onto the	• Continue to monitor turbidity and other chemical parameters of effluent and ensure no exceedances. • Ensure contingency plan in the event of large quantities of runoff exceeding	Complete the leak detection investigation that was scheduled to be completed during the snow free period of 2024 or devise alternate plan to ensure that contents of SCP

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)**
		tundra. No issues were noted on the date of observation. Conditions were snow covered and the plant was not yet running. The treatment pond leakage planned to be tested in the summer of 2024 to diagnose the source of the loss of water did not occur.	capability of the treatment infrastructure.	are not released to the environment. **No new updates following the spring 2025 inspection.**
12	KM 106 Ore Stockpile (Glencore)	It was understood from BIM staff that the entire stockpile is owned by Glencore and is planned to be transported to Steensby Port upon completion. An area of fines was observed in the upper reaches of the north facing slope of the stockpile.	• A safety plan should be developed to ensure that another flow failure event is not triggered if heavy equipment is operated on the surface of the stockpile whenever the stockpile is relocated.	No further actions have been taken at this location.
13	KM 81 Stream Crossing	A road washout previous to the visit had occurred and road repairs were ongoing during the inspection.	• We suggest that the amount of fine materials in the short section of channel downstream of the culverts, and upstream of the lake, be monitored over time and that an assessment of whether any impacts to fish habitat in Muriel Lake, has occurred.	New concern **Repairs to the Tote Road have occurred.**

LGL Limited – Ecological Review of the Mary River Project				
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14	SDCT-1 Tributary at KM 63	The two CSP's south of the main bridge structure are significantly perched creating a barrier to fish passage. Streambank erosion has occurred downstream of the two CSP culverts due to scour.	• Mitigate the perched condition of the CSP's to ensure free passage of fish through the structure. • Monitor the streambank erosion downstream of the culverts	No action observed. **All culverts on site are being analyzed and scheduled for repair based on priority.**
15	KM 33 Stream Crossing	Recent rock revetment work was completed. Water is flowing under the recently placed rocks preventing fish passage.	• This area should be observed over time to determine whether fine materials will accumulate to a degree enough to encourage surface flows.	Concern from 2024
16	Milne Port	Dark coloured sediments at Milne Port have been observed since 2023. A sample of the material was collected and analyzed and reported an elevated level of iron.	• A plan to prevent these sediments from entering the nearshore area and ultimately the marine environment should be developed and implemented.	Concern from 2024

Baffinland Mine Site June 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 1 –Waste Rock Facility Pond still frozen and covered in snow (June 18th, 2025).

Photo 2 – Waste Rock Facility preparations (June 18th, 2025).

Baffinland Mine Site June 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 3 – KM106.5, where inspectors previously saw turbid water (June 18th, 2025).

Photo 4 – KM106 stockpile, where a spill was reported (June 18th, 2025).

Photo 5 – Pooling location caused by the KM106 spill (June 18th, 2025).

Photo 6 – Dosing facility upstream of the KM105 infrastructure. Note the secondary flow path (June 10, 2024).

Photo 7 – New filter berm upstream of KM105 (June 18th, 2025).

Photo 8 – Dust behind a large truck by KM105 on the mine haul road (June 18th, 2025).

Photo 9 – Horizontal view of the new filter berm (June 18th, 2025).

Photo 10 – Tundra below KM105 Dam (June 18th, 2025).

Photo 11 – Endpoint of treatment system where an engineered structure will be installed. (June 18th, 2025).

Photo 12 – Crusher Pond Totes for dust suppression (June 18th, 2025).

Photo 13 – Sheardown Tributary behind Sailiivik Camp (June 18th, 2025).

Photo 14 – Coir logs behind Sailiivik Camp (June 18th, 2025)

Photo 15 – Damaged culverts behind Sailiivik Camp (June 18th, 2025).

Photo 16 – Sheardown Tributary entering Sheardown Lake (June 18th, 2025)

Photo 17 – Totes sitting in standing water at the fuel berm (June 19th, 2025).

Photo 18 – KM97 Bridge crossing (June 19th, 2025).

Photo 19 – KM97 Bridge crossing reinforced during winter 2025 (June 19th, 2025).

Photo 20 – Tote Road after application of calcium chloride and water (June 19th, 2025).

Photo 21 – Culvert replacement on the Tote Road (June 19th, 2025).

Photo 22 – Potentially isolated pool at KM87.5 (June 19th, 2025).

Photo 23 – KM63.5 washout (June 19th, 2025).

Photo 24 – Culverts still scattered at KM63.5 (June 19th, 2025).

Photo 25 – Location of spill reported at Milne Port. (June 19th, 2025).

Photo 26 – View of new aggregate pad and tote road from plane. (June 20th, 2025)

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Qikiqtani Inuit Association

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October 30, 2025

Elisabeth Luther, Senior Manager of Regulatory Affairs
360 Oakville Place Drive, Suite 300 Oakville, ON L6H 6K8
647 382 3761
Elisabeth.Luther@baffinland.com

RE: QIA 2025 Environmental Audit Report for the Mary River Project

Ms. Luther,

The Qikiqtani Inuit Association (QIA) contracted M.A. O' Kane Consultants Inc. (Okane) to complete the 2025 Environmental Audit (Audit) of the Mary River Project (Project), operated by Baffinland Iron Mines Corporation (Baffinland). The site Audit was completed August 7-8, 2025, in accordance with Schedule D and E of the Commercial Lease No.: Q13C301[1] (Lease). The focus of the Audit was to verify the adequacy of environmental security provided by Baffinland pursuant to the Lease.

The 2025 Environmental Audit Report has been appended to this letter for Baffinland's reference. Key Findings and Recommendations impacting security and the environment are outlined in **Table 1** and found in sections 5 & 6 of the report.

QIA thanks Baffinland for its support in completing the 2025 Environmental Audit and will be available to discuss the findings upon request.

Table 1: Recommendations

ID	Key Findings
1	BIM's implementation of the updated Waste Rock Management Plan and progressive non-AG cover system placement has been successful and on schedule to date. Information presented previous Waste Rock Management Compliance reports was verified through review and inspection of the WRF.

[1] QIA and Baffinland (2013). Commercial Lease No. Q13C301. September 6, 2013.

2	Geochemical stability of exposed pit walls remains a large uncertainty. While risk of water quality issues associated with the pit walls is low compared to the WRF due to the substantial decrease in contact surface area, the same constituents of concern that lead to low observed pH values in WRF seepage in 2017 are likely present in exposed pit walls. Low pH has also been observed in the 570 sump consistently over the past 18 months. This is a source of uncertainty that can possibly have a substantial impact on closure costs.
3	Surface stability issues were noted on stockpiled material on the interior of the WRF. While the noted issues were not on the outer slope of the WRF and do not pose a large environmental risk as this time, they do indicate a large degree of variability in the physical characteristics of the waste rock material. BIM does not currently control where waste rock is placed within the WRF based on particle size distribution, meaning that there is potential for finer-grained, lower strength waste rock to be placed on outer slopes of the WRF as its footprint grows.
4	Assumptions made in previous geotechnical analysis of the WRF do not appear to be consistent with conditions as observed during the 2024 WRF Monitoring Report. An angle of repose of approximately 32 degrees was noted during the 2024 inspection, which is commonly associated with an internal angle of friction less than 40 degrees. The assumed internal angle of friction of 40 degrees should not be considered conservative as is stated in the previous analysis. (Golder 2021)
5	Hydrogeological monitoring of groundwater in the WRF area is not currently being conducted by BIM at the Mary River site. While groundwater flow is expected to be minimal due to the relatively small thickness of the active layer where flow will occur, groundwater is expected to report to local surface water. Given that seepage water from the WRF has been observed to contain high concentrations of COPCs and low pH levels in the past, there is currently risk that poor quality water is reporting to local receptors through groundwater.
ID	**Recommendations**
6	Updated stability analysis of the WRF using measured strength parameters rather than assumed. It is possible that the WRF may have to be re-sloped to mitigate the risk of long-term instability.
7	Material characterization program of waste rock being deposited into the WRF. While it is understood BIM executes a detailed geochemical characterization program, physical properties of the waste rock are not well understood. While no serious geotechnical issues have been noted on the outer slopes of the WRF to date, it is possible that variance in waste rock material shear strengths lead to slope stability concerns as the WRF expands.
8	Long term water quality modelling using empirical pit-wall runoff water quality monitoring data and watershed information to determine water quality at Mary River project receptors and compliance points. Such modelling will inform on the potential necessity of cover system placement over top of exposed pit-walls in the event of unplanned closure.
9	Implementation of hydrogeological monitoring program in the vicinity of the WRF.

10	Continued implementation of progressive cover system placement and updated Waste Rock Management Plan.

Nakurmiik,

Conor Goddard
Manager of Project Compliance and Monitoring
Qikiqtani Inuit Association
(P) 867.975.8385 or toll-free 1.800.667.2742
cgoddard@qia.ca

955-221 Mary River Mine 2025 Environmental Audit

October 29, 2025

okane

Integrated Mine Closure and Relinquishment Solutions

955-221 Mary River Mine 2025 Environmental Audit

955-221-R-003

October 2025

Prepared for:

Qikiqtani Inuit Association

Prepared by:

Travis Polkinghorne
Intermediate Engineer
tpolkinghorne@okc-sk.com

M.A. O'Kane Consultants Inc.

112 - 112 Research Drive
Saskatoon, SK S7N 3R3
Canada

Telephone: (306) 955 0702
Facsimile: (306) 955 1596
Web: www.okc-sk.com

Rev. #	Status	Rev. Date	Author	Reviewer Sign-off	Major Changes
0	DRAFT	October 27, 2025	TP	DC	
1	FINAL	October 29, 2025	TP	DC	

EXECUTIVE SUMMARY

Okane Consultants (Okane) was retained by the Qikiqtani Inuit Association (QIA) to conduct an annual security estimate for each year from 2024-2026 for costs associated with closure and reclamation of the Mary River Mine operated by Baffinland Iron Mines Corporation (BIM). Mary River is a high-grade iron ore mine located north of the Arctic Circle in the Qikiqtani region of North Baffin Island, Nunavut, Canada. The majority of the project is located on Inuit-owned Land managed by the QIA. Baffinland and QIA signed a Commercial Lease which includes the provisions for the annual assessment of reclamation security. To assist in the annual security estimate process, Okane conducts annual environmental audits to identify areas of concern and uncertainty for the upcoming years security estimate. The on site portion of the 2025 environmental audit took place on August 7th and August 8th, 2025. Additionally, a desktop review of key documents (requested by QIA and provided by BIM) and information was reviewed by Okane to supplement the onsite portion of the environmental audit.

Okane's key findings from the site visit and desktop review include:

- BIM's implementation of the updated Waste Rock Management Plan and progressive non-AG cover system placement has been successful and on schedule to date. Information presented in previous Waste Rock Management Compliance reports was verified through review and inspection of the WRF.

- Geochemical stability of exposed pit walls remains a large uncertainty. While risk of water quality issues associated with the pit walls is low compared to the WRF due to the substantial decrease in contact surface area, the same constituents of concern that lead to low observed pH values in WRF seepage in 2017 are likely present in exposed pit walls. Low pH has also been observed in the 570 sump consistently over the past 18 months. This is a large source of uncertainty that can possibly have a substantial impact on closure costs.

- Surface stability issues were noted on stockpiled material on the interior of the WRF. While the noted issues were not on the outer slope of the WRF and do not pose a large environmental risk at this time, they do indicate a large degree of variability in the physical characteristics of the waste rock material. BIM does not currently control where waste rock is placed within the WRF based on particle size distribution, meaning that there is potential for finer-grained, lower strength waste rock to be placed on outer slopes of the WRF as its footprint grows.

- Assumptions made in previous geotechnical analysis of the WRF do not appear to be consistent with conditions as observed during the 2024 WRF Monitoring Report. An angle of repose of approximately 34 degrees was noted during the 2024 inspection, which is commonly associated with an internal angle of friction less than 40 degrees, which was assumed in the previous geotechnical analysis. The assumed internal angle of friction of 40 degrees should not be considered conservative as is stated in the previous analysis. (Golder 2021)

- Hydrogeological monitoring of groundwater in the WRF area is not currently being conducted by BIM at the Mary River site. While groundwater flow is expected to be minimal due to the relatively small thickness of the active layer where flow will occur, groundwater is expected to report to local surface water. Given that seepage water from the WRF has been observed to contain high concentrations of COPCs and low pH levels in the past, there is currently risk that poor quality water is reporting to local receptors through groundwater.

Okane recommends the following to eliminate sources of uncertainty in the annual security estimate:

- Updated stability analysis of the WRF using measured rather than assumed strength parameters. It is possible that the WRF may have to be re-sloped to mitigate the risk of long-term instability.

- Material characterization program of waste rock being deposited into the WRF. While it is understood BIM executes a detailed geochemical characterization program, physical properties of the waste rock are not well understood. While no serious geotechnical issues have been noted on the outer slopes of the WRF to date, it is possible that variance in waste rock material shear strengths lead to slope stability concerns as the WRF expands.

- Long term water quality modelling using empirical pit-wall runoff water quality monitoring data and watershed information to determine water quality at Mary River project receptors and compliance points. Such modelling will inform on the potential necessity of cover system placement over top of exposed pit-walls in the event of unplanned closure.

- Implementation of hydrogeological monitoring program in the vicinity of the WRF.

- Continued implementation of progressive cover system placement and updated Waste Rock Management Plan.

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1 INTRODUCTION

Okane Consultants (Okane) was retained by the Qikiqtani Inuit Association (QIA) to conduct an annual security estimate for each year from 2024-2026 for costs associated with closure and reclamation of the Mary River Mine operated by Baffinland Iron Mines Corporation (BIM). Mary River is a high-grade iron ore mine located north of the Artic Circle in the Qikiqtani region of North Baffin Island, Nunavut, Canada. The majority of the project is located on Inuit-owned Land managed by the QIA. Baffinland and QIA signed a Commercial Lease which includes the provisions for the annual assessment of reclamation security. To assist in the annual security estimate process, Okane conducts annual environmental audits to identify areas of concern and uncertainty for the upcoming years security estimate. The on site portion of the 2025 took place on August 7th and August 8th was performed an Okane representative accompanied by a member of QIA. Additionally, a desktop review of key documents (requested by QIA and provided by BIM (Appendix A)) and information was completed by Okane to supplement the onsite portion of the environmental audit.

1.1 Project Objectives and Scope

The overarching objective of completing the annual environmental audits and security estimates is to provide QIA with a transparent, detailed understanding of closure costs and requirements associated with the Mary River Mine. Specifically, the annual environmental audits are to provide Okane a better understanding of the Mary River Mine operations and infrastructure, and thus overall reclamation requirements, that can then be used to more accurately assess closure cost.

1.2 Report Organization

For convenient reference, this report as been divided into the following sections:

- Section 2 – summarizes the Mary River Mine sites operations, key infrastructure, and site components.
- Section 3 – summarizes the site visit portion of the environmental audit, including the methodology and key observations.
- Section 4 – summarizes the desktop review of the environmental audit, including a list of documents reviewed and the justification for their review.
- Section 5 – discusses key findings from the site visit and desktop review.
- Section 6 – outlines recommendations for BIM including improved environmental practices, documentation that may help improve the accuracy of the annual security estimate.

2 SITE BACKGROUND

The Mary River Mine site is a high-grade iron ore mine located on North Baffin Island, Nunavut, Canada. The site consists of four main areas: Milne Port, Tote Road, Steensby Port, and the Mine Site. To date, major infrastructure has been developed at the Milne Port, Road and the Mine Site (Table 2.1). Mary River Mine site began operations in 2016, shipping approximately 4 million tonnes of ore per year, with plans to expand operations with the construction of a railway to Steensby Port, which would increase production to allow for shipping of 18 million tonnes of ore per year.

Table 2.1: Constructed Major Infrastructure

Area	Major Infrastructure	
Milne Port	Ore Dock	Polishing Waste Stabilization Pond (PWSP)
	Ore Stockpile	Waste Management Facilities
	Ore Handling Facilities	Incinerator
	Camp and Service Building	Hazardous Material Storage Areas
	Sewage Treatment Plant	Power Generation Distribution
Mine Site	Waste Rock Stockpile	PWSPs
	Transitional Ore Stockpiles	Maintenance Facilities
	Blasted Bedrock Outcrop	Waste Management Facilities
	Mine Site Roads and Laydowns	Incinerators
	Camp Lake Water Supply	Landfill
	Quarries and Borrow Pits	Hazardous Material Storage Areas
	Power Generation and Distribution	Crushing Facilities
	Camp and Service Buildings	Airstrip
	Sewage Treatment	Emulsion Plant
Tote Road	Road Embankments and Driving Surface	Borrow Pits and Quarries
	Water Crossings	

2.1 Interim Closure and Reclamation Plan

An interim closure and reclamation plan has been developed to guide closure activities for each main area and includes both a temporary and permanent closure periods. As security estimates are primarily concerned with permanent closure activities, temporary closure activities have been excluded from this memorandum. The main work items for final mine closure and reclamation include (BIM, 2018):

- Filling the open pit with water to stabilize pit walls and mitigate fall hazards;

- Installation of a boulder fence and signage around the open pit to prevent inadvertent access;
- Removal of all mining and transportation infrastructure other than the Open Pit, Waste Rock Stockpile, Tote Road, and Milne Port Ore Dock. The Tote Road and Milne Port Ore Dock will be left in place after the project life, but not maintained.
- Demolition and removal of all buildings and foundations;
- All mining materials and equipment will either be removed from site or disposed of in on-site landfills/approved waste disposal areas;
- Removal of all hazardous waste and wastes to licensed disposal facilities;
- Storage of non-hazardous waste on-site;
- Removal of water management systems and infilling of mine water ponds;
- Roads, airstrips, and development areas will be re-contoured as required;
- Removal of water crossings to restore natural drainage patterns;
- Scarification of disturbed areas of former mine infrastructure to encourage natural vegetation; and
- Monitoring during closure and post closure periods

3 SITE VISIT SUMMARY

The 2025 site visit portion of the environmental audit took place between August 7th and August 8th , 2025 by an Okane representative accompanied by one member of QIA (Table 3.1). The site visit included inspections of key project components and infrastructure at the Mine Site and Tote Road. Due to time constraints of the site visit, Milne Port was not inspected, nor were areas north of KM 37 of the Tote Road. Specific infrastructure inspected and relevant observations are discussed below.

Table 3.1: Site Visit Personnel

Name	Organization	Role
Conor Goddard	QIA	Manager of Project Compliance and Monitoring
Travis Polkinghorne	Okane	Project Coordinator/Intermediate Engineer

3.1 Mine Site

The Mine Site was inspected on August 7th, 2025. Project components inspected at the Mine Site included:

- WRF and WRF collection pond (MS-08)
- Water treatment facility
- KM 106 Stockpile and associated collection pond (MS-07)
- Ore crusher pad and associated collection pond (MS-06)
- Landfill and landfarm
- Hazardous waste storage areas
- KM 105 settling pond dam embankment

Specific observations regarding each site component are discussed below in the coming sections.

3.1.1 Waste Rock Facility

Okane and QIA toured the WRF on August 7th, 2025. Key observations pertaining to the WRF include:

- A PAG cell with a minimum 4 m NAG circumference was observed at the WRF, . The PAG cells and NAG lifts progressing to cover the PAG appears consistent with the summary of the 2024 Waste Rock Management Strategy (BIM, 2024).
- Localized surficial slope instability was noted on stockpiled material on the WRF plateau.
- Several areas of relatively fine-grained waste rock material were noted, indicating a large degree of variability in the waste rock material placed (Figure 3.1).
- The outer slopes of the WRF plateau do not exhibit any signs of geotechnical or erosional instability in agreement with previous geotechnical inspections (BIM 2025c) (Figure 3.2)
- Thermistor installation sites appear to be well marked and protected from surface traffic.

Figure 3.1: Variability in texture on WRF (finer-grained on left, coarser-grained on right)

Figure 3.2: Eastern slope of WRF. No erosional or stability concerns noted.

3.1.2 MS-08 water treatment facility

Okane and QIA toured the water treatment facility on August 7th. Key observations included:

- Newly installed geobags appear to be in good condition (Figure 3.3).
- Berms surrounding the water treatment pond do not show any signs of instability (Figure 3.4).

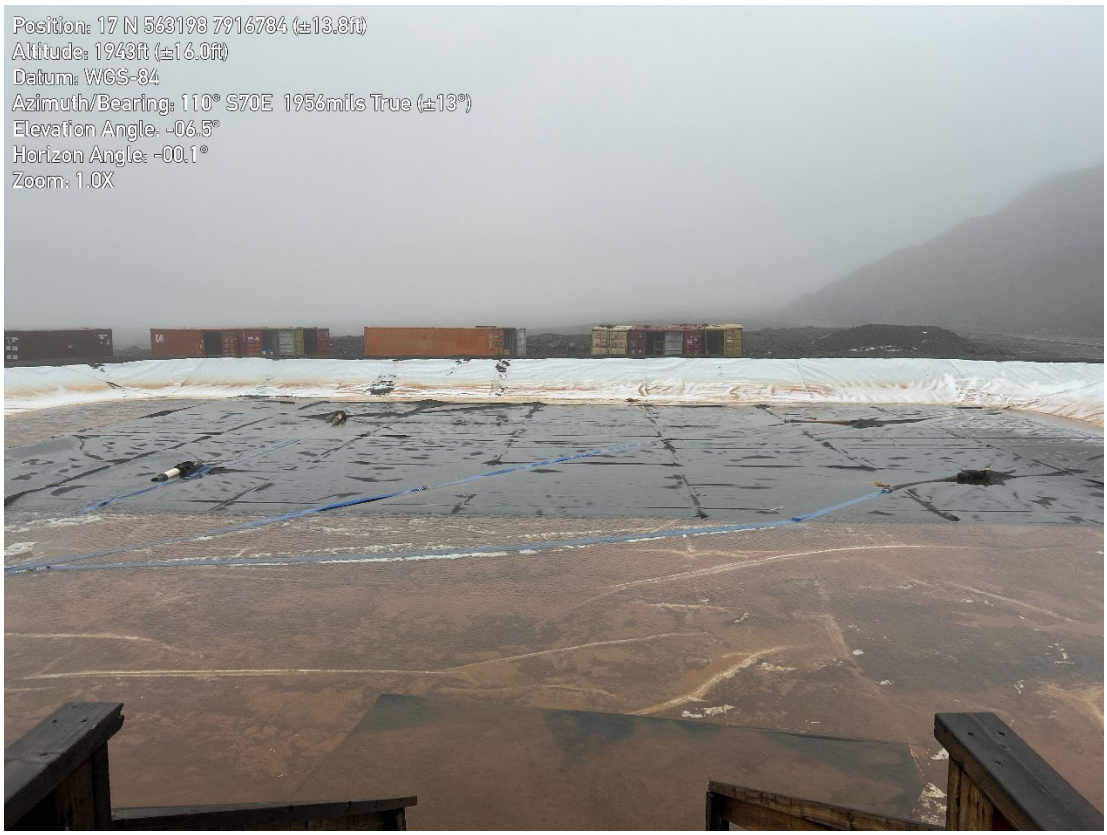

Figure 3.3: Geobags at water treatment plant (installed in 2024)

Figure 3.4: Water treatment plant containment berms

3.1.3 MS-08

Okane and QIA toured the MS-08 collection pond on August 7th. Key observations included:

- It was noted that the water levels in MS-08 were low and liner appeared to be intact (Figure 3.5).
- A relatively large volume of water was present in secondary containment pond to the north of MS-08 (Figure 3.6) indicating either seepage is occurring from MS-08 or seepage from the WRF is bypassing the MS-08 seepage collection system.
- Discussions with the Environmental Manager indicated that High precipitation events in the past year have lead to concerns with the storage capacity of MS-08, however, ongoing studies being conducted to better understand the water balance of the MRS area as it relates to the capacity of MS-08.

Figure 3.5: MS-08

Figure 3.6: Secondary containment area North of MS-08

3.1.4 KM 106 Stockpile and MS-07

The KM 106 Stockpile (or transitional material stockpile) was toured by Okane and QIA on August 7th. Key observations included:

- Ponded water from uncontrolled seepage from KM 106 -identified in 2023 and 2024, was no longer present due to being pumped dry (Figure 3.7)
- Containment berms and pond liner did not show any signs of instability or ripping. No debris was noted floating in MS-07
- The KM 106 stockpile did not show any signs of surface instability or sloughing.

Figure 3.7: Uncontrolled seepage from KM 106 pumped to MS-07 sediment pond.

3.1.5 Landfill and Landfarm

The Landfill and Landfarm were toured by Okane and QIA on August 7th. Key observations included:

- Slopes of landfarm berms appear intact, with no slumping observed
- Runoff from the Landfill to the surrounding environment noted in 2023 and 2024 continues to occur

3.1.6 Ore Crusher Pad and MS-06

Okane and QIA toured the Ore Crusher Pad and MS-06 on August 21st. Key observations included:

- Uncontrolled seepage from the ore crusher pad is occurring to the southeast of MS-06 directly into the surrounding environment
- MS-06 liner appeared to be intact, no debris was noted within the MS-06 pond (Figure 3.8)

- Conversations on site with BIM personnel indicate that investigations into the source of uncontrolled seepage were inconclusive but based on water quality sampling the seepage is not coming from the ore crusher pad itself.

- No concerns with the additional quarried rock placed West of the ore crusher pad as a laydown/improved access in the area.

Figure 3.8: MS-06

Figure 3.9: Quarried rock placed as laydown material/improved access.

3.1.7 KM 105 Sedimentation Pond

Okane and QIA visited the KM 105 sedimentation pond on August 7th, 2025 . Key observations include:

- Issues during the construction of the KM 105 embankment grout curtain lead to a newly devised approach to settling total suspended solids (TSS) before releasing water to the surrounding environment.
- Rockfill check dams have been installed both upstream and downstream of the original embankment (Figure 3.10, Figure 3.11)

Figure 3.10: Upstream check dam installed for TSS settlement

Figure 3.11: Downstream check dam and water treatment area downstream of KM 105 embankment

3.1.8 Hazardous Waste Storage

Okane and QIA visited the hazardous waste storage area on August 7th, 2025 . Key observations include:

- All waste appeared to be sealed and stored in an orderly fashion (Figure 3.12).
- Containment berms did not show any signs of erosion or stability issues

Figure 3.12: Hazardous Waste storage area

3.2 Tote Road

The Tote Road was inspected by QIA and Okane on August 8th, 2025 , with a focus on the recently reclaimed borrow area at approximately KM 37. Key observations of the reclaimed borrow area include:

- Generally, grading of the area was gradual in a gravelly-sand material, effectively mitigating the risk of erosion in the future (Figure 3.13).
- Surface material was loosely compacted, which will promote natural revegetation as stipulated as part of the current Interim Reclamation and Closure Plan (BIM 2018).
- Grading of the surface was done in a manner to prevent ponding of water.
- The south tie-in of the reclaimed area was left at a relatively steep angle (Figure 3.14), which has potential to lead to erosion of the material or slumping, both of which could lead to TSS increases in surrounding water bodies. However, based on the volume of material and distance to nearest receptors, adverse environmental impacts are likely not a high risk.

Figure 3.13: Reclaimed borrow area adjacent to Tote Road at KM 37

Figure 3.14: Edge of reclaimed borrow area at KM 37, placed at relatively steep slope.

4 DESKTOP REVIEW SUMMARY

As a part of the 2025 Environmental Audit, Okane performed a desktop review of relevant documents as provided by BIM in order to identify potential issues and risks pertaining to the closure and security of the Mary River Mine site. Specific findings and recommendations as a result of the desktop review are discussed in Sections 5 and 6, while this section discusses what was reviewed, and why.

4.1 Waste Rock Facility Geotechnical Assessment/Geotechnical Monitoring Report

Okane noted variances in waste rock gradation in previous Environmental Audits (Okane 2024) as well as potential non-conservative assumptions within conducted geotechnical modelling of the WRF (Golder, 2021). Findings from Okane's review of the 2024 WRF Geotechnical Monitoring Report (BIM 2025c) indicate that the angle of repose of the waste rock material is approximately 32 degrees. Material's exhibiting a 32 degree angle of repose commonly exhibit internal angles of friction below the modelling assumption of 40 degrees.

No stability issues have been observed on the outer slopes of the WRF (BIM 2025c), however, it is possible that finer-grained waste rock with lower internal angle of friction is placed on the outer slopes of the WRF as the WRF footprint expands, leading to a factor of safety below accepted industry standards.

4.2 Waste Rock Management Plan and Non-conformances

Implementation of the new Waste Rock Management Plan has lead to a decrease in non-conformances and as scheduled progressive placement of a 4.0 m non-AG cover system over exposed PAG material on the WRF. Additionally, results from acid-base accounting of placed non-AG material throughout the year have confirmed their geochemical characterization.

4.3 Pit-wall Geochemical Stability

Okane has noted concerns with the water quality of pit-wall runoff in previous audit report (Okane, 2024). In addition to these concerns, water quality testing of the 570 sump (BIM 2025b), which collects pit-wall runoff, has been found to consistently exceed water quality objectives over the last approximate 18 months. These findings support previously raised concerns that further measures may be required at closure to mitigate water quality issues from pit-wall contact water.

4.4 Waste Rock Facility Instrumentation

Instrumentation has been installed throughout the WRF to monitor temperature (six locations), porewater pressure (two locations) and oxygen concentration (two locations). Oxygen concentration data has not been available since 2021, and porewater pressure monitoring indicates that the vibrating-wire piezometers are dry and in frozen ground. Findings from 2024 data are in alignment with previous years.

Thermistors installed in the WRF to monitor temperature throughout the waste rock profile indicate the following:

- The WRF has shown a freezing trend and remains frozen throughout the year.
- The active zone (the zone subject to freeze thaw effects) has been observed to extend between 2 – 3 m below the surface of the WRF.
- Evidence of internal heat generation has been observed within the WRF.

Overall, the thermistor data indicates that the mechanism of the freeze back cover system is effective, and that the 4.0m non-AG encapsulation layer is likely to be sufficient to contain the active layer post-closure. However, the presence of internal heat generation indicates PAG material placed within the WRF is subject to oxidation which can be indicative of long-term water quality issues.

The reviewed information also indicates that installation of thermistors beyond the active layer is impractical due to the frozen nature of the WRF material underneath. While this is an indication that the planned WRF cover system is effective, it also indicates that utilizing the Viper Pad material to cover the WRF in an unplanned closure scenario (as QIA is currently secured for) is likely to be less efficient than optimal due to excavation of frozen material.

4.5 Hydrogeological monitoring

While hydrogeological monitoring is currently being conducted at both the Landfill and Hazardous Waste Storage areas at the Mary River site, no infrastructure is in place for monitoring of groundwater in the surrounding area of the WRF. Groundwater flows are not expected to be substantial in the area however, seepage from the WRF has been observed to have high concentrations of metals and low pH values in the past. Logistical issues associated with monitoring groundwater in permafrost regions persist for installed wells, however, BIM is working to rectify issues.

5 KEY FINDINGS

Okane's key findings from the site visit and desktop review include:

- BIM's implementation of the updated Waste Rock Management Plan and progressive non-AG cover system placement has been successful and on schedule to date. Information presented previous Waste Rock Management Compliance reports was verified through review and inspection of the WRF.

- Geochemical stability of exposed pit walls remains a large uncertainty. While risk of water quality issues associated with the pit walls is low compared to the WRF due to the substantial decrease in contact surface area, the same constituents of concern that lead to low observed pH values in WRF seepage in 2017 are likely present in exposed pit walls. Low pH has also been observed in the 570 sump consistently over the past 18 months. This is a source of uncertainty that can possibly have a substantial impact on closure costs.

- Surface stability issues were noted on stockpiled material on the interior of the WRF. While the noted issues were not on the outer slope of the WRF and do not pose a large environmental risk as this time, they do indicate a large degree of variability in the physical characteristics of the waste rock material. BIM does not currently control where waste rock is placed within the WRF based on particle size distribution, meaning that there is potential for finer-grained, lower strength waste rock to be placed on outer slopes of the WRF as its footprint grows.

- Assumptions made in previous geotechnical analysis of the WRF do not appear to be consistent with conditions as observed during the 2024 WRF Monitoring Report. An angle of repose of approximately 32 degrees was noted during the 2024 inspection, which is commonly associated with an internal angle of friction less than 40 degrees. The assumed internal angle of friction of 40 degrees should not be considered conservative as is stated in the previous analysis. (Golder 2021)

- Hydrogeological monitoring of groundwater in the WRF area is not currently being conducted by BIM at the Mary River site. While groundwater flow is expected to be minimal due to the relatively small thickness of the active layer where flow will occur, groundwater is expected to report to local surface water. Given that seepage water from the WRF has been observed to contain high concentrations of COPCs and low pH levels in the past, there is currently risk that poor quality water is reporting to local receptors through groundwater.

6 RECOMMENDATIONS

Okane recommends the following to eliminate sources of uncertainty in the annual security estimate:

- Updated stability analysis of the WRF using measured strength parameters rather than assumed. It is possible that the WRF may have to be re-sloped to mitigate the risk of long-term instability.
- Material characterization program of waste rock being deposited into the WRF. While it is understood BIM executes a detailed geochemical characterization program, physical properties of the waste rock are not well understood. While no serious geotechnical issues have been noted on the outer slopes of the WRF to date, it is possible that variance in waste rock material shear strengths lead to slope stability concerns as the WRF expands.
- Long term water quality modelling using empirical pit-wall runoff water quality monitoring data and watershed information to determine water quality at Mary River project receptors and compliance points. Such modelling will inform on the potential necessity of cover system placement over top of exposed pit-walls in the event of unplanned closure.
- Implementation of hydrogeological monitoring program in the vicinity of the WRF.
- Continued implementation of progressive cover system placement and updated Waste Rock Management Plan.

7 CLOSURE

We trust information provided is satisfactory for your requirements. Please do not hesitate to contact the undersigned at tpolkinghorne@okaneconsultants.com for further information or questions.

Prepared by:

Travis Polkinghorne, P.Eng (SK)
Project Coordinator/Intermediate Engineer

Reviewed by:

Dave Christensen, M.Sc, P.Eng

Senior Engineer

8 REFERENCES

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November 14, 2025

William Bowden
Environmental Manager
Baffinland Iron Mines Corporation
360 Oakville Place Drive, Suite 300
Oakville, ON L6H 6K8
William.Bowden@baffinland.com

RE: Mary River Project – Qikiqtani Inuit Association September 2025, 2nd Annual Environmental Inspection Findings and Recommendations

Dear Mr. Bowden,

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease[1] No.: Q13C301 (CPL), issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), the QIA conducted a Site Inspection (Inspection) of the Mary River Mine (Project) in September 2025. Andrew Jaworenko of QIA conducted the inspection with technical support provided by Joe Cavallo and Chloe Robinson of LGL Ltd. An overview of the inspectors' findings and recommendations is provided below.

The September 2025 Environmental Inspection Report has been appended to this letter for Baffinland's reference. Requested actions are outlined in **Table 1** of the report.

If you have any questions or would like to discuss details, please feel free to contact me at your earliest convenience.

Qujannamiik,

A Jaworenko

Andrew Jaworenko
Environmental Specialist
Qikiqtani Inuit Association
(P) (867) 899-8000
andrew.jaworenko@qia.ca

[1] QIA and Baffinland (2013). Commercial Lease No.: Q13C301

To: ᑯᓇᕐ ᓯᐱᓐᓱ / ᒪᓕᒐᓕᕆᔾᔪᑎᓄᑦ ᐊᐅᓚᑦᑎᔨ
Conor Goddard / Manager of Project Compliance and Monitoring
CGoddard@qia.ca / Office: 867.975.8385

ᖃᑭᖅᑕᓂ ᐃᓄᐃᑦ ᑲᑐᔾᔨᖃᑎᒌᖓᑦ
Qikiqtani Inuit Association
1.800.667.2742
ᓱᑲᑦᑐᒃᑯᑦ / Fax: 867.979.3238
www.qia.ca

From: Chloe Robinson, Biologist, LGL Limited
Joseph Cavallo, Senior Biologist, LGL Limited

Date: 5 November 2025

RE: Water License 2AM-MRY1325 – Mary River Project Follow up Report to September 2025 Environmental Inspection

1 Introduction

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), Joe Cavallo and Chloe Robinson on behalf of LGL Limited (LGL) along with QIA representative Andrew Jaworenko conducted a scheduled Environmental Inspection (Inspection) of the Mary River Mine on September 17th and 18th, 2025. This was the second inspection of the year, following the site visit conducted by Dr. Mitchell Kay (LGL) and Assol Kubeisinova (QIA) in June 2025.

The governing objective of this report is to identify issues that in any way undermine or compromise QIA's mission to safeguard "the land, waters and resources" that sustain Qikiqtani Inuit within the Inuit homeland. An overview of the Inspectors' findings and requested actions are provided below. Photographs associated with the findings and requested actions made by LGL are provided in Appendix A.

2 Review of Reports

The following reports were received and reviewed prior to and following the completion of the Inspection. A summary produced by Baffinland is provided for each report.

Release Pond MS-06; NT-NU Spill Report – July 17, 2025; Water Licence No. 2AM-MRY2540

- Sedimentation Pond MS-06 at Mary River, was being closely monitored for freeboard during a prolonged rainfall event. On July 15th Operations initiated a pond to pond transfer to ensure sufficient freeboard could be maintained. A controlled discharge, along with continued transfer of compliant pond water was initiated at approximately 1:00 pm on July 16, however inflows to the Pond collection ditch exceeded the withdrawal rate, resulting in a slow release of compliant water over the emergency spillway at 18:09. The release over the spillway was approximated at 1,800 litres per hour. Continued removal via increased transfer with water trucks reduced the pond freeboard below the spill way and the uncontrolled release ceased by 21:30. Pond to pond transfer is ongoing. Samples to characterize the release were immediately

collected and will be included in the follow up report. This spill is being reported as required by the conditions of Water License no. 2AM-MRY2540, Part H, item 9(b) pursuant to subsection 12(3) of the Nunavut Waters and Nunavut Surface Rights Tribunal Act and as required by subsection 38(5) of the Fisheries Act.

Snowmelt Seepage Waste Rock Facility; Follow-up to Spill #2025-264 – July 21, 2025; Water Licence No. 2AM-MRY2540

- On June 20, 2025, routine monitoring observed snow melt water within the Waste Rock Facility (WRF) West perimeter ditch seeping through a defined location of the ditch to the adjacent tundra. Upon aerial survey reconnaissance, the water was not observed to be entering potential down-gradient receiving water bodies and was confined to the tundra plateau adjacent to the WRF. The seepage was observed to be filtering through a previously installed coarse rock fill patch intended to repair road settlement. Upon discovery, the ditch was further cleared of snow from recent accumulation to improve freeboard and flow within the ditch and an impermeable repair patch was installed which fully stopped the seepage. Water quality samples collected on June 20 at the seepage location to characterize the water quality and potential lethality of the seepage indicated elevated levels of Total Suspended Solids (TSS). However, laminar flow and rocky ground likely impacted sampling conditions that could not be mitigated by sampling technique, potentially elevating TSS measurements during collection. Results of additional water quality samples collected on June 21 at down-gradient receiving environment monitoring station K0-01 indicated there was no potential impact to the downstream receiving environment from the seepage.

3 Site Inspection Observations

Joe Cavallo, Chloe Robinson and Andrew Jaworenko (the Inspectors) arrived at site on the morning of Wednesday September 17th and departed on the morning of Friday September 19th. The Inspectors were escorted by a member of Baffinland's Site Service Department, William (Bill) Bowden, Environmental Manager. The morning of September 17th was used to review the schedule developed by Baffinland with input from QIA/LGL prior to the inspection. The afternoon (13:30 – 17:30) of September 17th focused on inspecting the infrastructure located on the mine site around Sailiivik Camp (also referred to as the Mary River Mine site). On the second day (08:30 – 16:00) the remaining locations at the mine site (CV187, Camp Lake and Camp Lake Tributary, and the Oil Water Separator) were visited before evaluating watercourse crossings along the Tote Road and the infrastructure located at Milne Port. Special attention was given to regions of the project area that were affected by the unprecedented rain event during September 2024, culverts experiencing issues from permafrost melt and/or ice lenses, and issues identified during the June 2025 as well as previous inspections.

The air temperature remained around 1 °C and was sunny during the two-day inspection. There were no visibility issues due to rain or fog, which provided opportunity to conduct a thorough inspection of the project area. Inspectors (Joe Cavallo, Chloe Robinson and Andrew Jawrenko) and Bill were joined by additional Baffinland personnel with specific operational expertise related to areas being inspected. Further detail on the areas inspected and associated Baffinland personnel is discussed below.

3.1 Waste Rock Facility

On the morning of September 17th, the Inspectors travelled with Bill and Jacob Prince via light duty truck from Sailiivik Camp to the waste rock facility at the top of the mountain. Snow cover from a precipitation event the previous week hampered visibility of the pond, treatment facility and surrounding tundra. The waste rock treatment facility was not online during the inspection. While inspecting the waste rock stockpile and pond, Bill noted that potentially acid generating (PAG) rock has been capped with non-acid generating (NAG) rock. This capping, in addition to silt curtains within the pond, has reduced the frequency of treatment required. Water has only been treated once in 2025 during the spring season. Water levels in the pond were low and mostly frozen at the time of

inspection. The Inspectors also visited the area where snowmelt seepage from the west perimeter ditch of the stockpile was recorded on June 20, 2025. Bill explained that snow had filled the ditch resulting in a diversion of flows and the release of snowmelt water into the surrounding tundra. The release was estimated to have occurred for 6 hours. Bill indicated that the water did not reach any watercourse as confirmed with ariel surveys. While snow cover reduced visibility in the area, no concerns related to the event were noted.

3.2 KM106

There were no observed changes to the ore stockpile located at KM106. Baffinland has continued to follow previous recommendations to pile fine sediment in locations less likely to cause large-scale erosional events. As reported during the June 2025 inspection, no impacts were observed related to the release of contact water from the KM106 stockpile on June 6th, 2025. It was further confirmed with Bill that the release was contained to the ditch along the stockpile and pumped into the KM106 pond.

The water level in the KM106 pond was low and no concerns were noted related to the pond or liner. Bill informed the inspectors that the area to the north of the pond, where sediment has been observed during previous inspections served as a former drainage gully prior to the construction of the KM106 pond. This feature is no longer in use, but this information allowed the Inspectors to confirm that previously noted sedimentation was not the result of an accidental release.

3.3 KM105 Infrastructure

3.3.1 Upstream Chemical Dosing Location

Due to time constraints, the upstream dosing location was not inspected during the September 2025 site visit. It was noted that dosing currently consists only of flocculant as needed, as the lime (calcium) and ferric acid treatments are no longer utilized.

3.3.2 Filter berm

The Inspectors proceeded to the newly constructed filter berms downstream of the chemical dosing station and upstream of the KM105 dam. Bill informed the Inspectors that the filter berms were not engineered, but Baffinland will design properly engineered structures if the filter berms become ineffective. The two filter berms appeared to be functioning well; however, it has been noted that relatively moderate flows were experienced during the 2025 spring freshet. Inspectors noticed that a large amount of fine sediment has collected downstream of the second filter berm. Inspectors estimate that the sediment in this area is likely greater than 1 m in depth (based on observations since 2022). The accumulation of this sediment poses a risk for mobilization during future high-flow events. It was discussed with Bill, that this sediment should be removed from the area to prevent migration further downstream during higher flow conditions.

3.3.3 KM105 Pond

The KM105 dam is now functioning as a large filter berm due to the permeability of the structure. Water flowing through the structure was clear. No turbidity or fine sediments were noted in the tundra downstream of the KM105 dam. The Inspectors noted an upwelling to the southwest of the dam which may be where water is flowing under the structure. The filter bag/geotube system was still in place but is no longer being used. Inspectors noted that controls and materials, including the geotube system, that are no longer in use should be removed from the site.

3.3.4 Polishing pond and final discharge point

At the polishing pond, two silt curtains were in place. One curtain was installed in the middle of the pond and another just upstream of the proposed final discharge location (MS-11). As observed throughout the treatment

chain, water was very clear both in the pond and at the final discharge point. As mentioned during the previous inspection, Bill indicated that a structure at the final discharge location is in the process of being designed. Bill could not provide information as to what this structure will look like but indicated the goal will be to control flows at the final discharge point. The Inspectors voiced concerns that similar issues to those experienced with the KM105 dam may occur with the construction of this structure.

3.4 Sheardown Tributary

The Inspectors travelled downstream to the confluence of Sheardown Tributary and Sheardown Lake. The water was very clear, with the lowest turbidity observed during recent inspections. This observation is consistent with that observed by Dr. Kay in June of 2025. This observation is likely the result of improvements throughout the upstream treatment train and generally low flows at the time of inspection.

3.5 Crusher Pad

The Inspectors and Bill toured the crusher pad under the direction of Spencer Stinson (Baffinland). Water levels were low in the crusher pond at the time of the inspection. Baffinland informed the Inspectors that the main parameter of concern in the pond is TSS, and that metal concentrations are always below targets. The Inspectors walked the entire berm around the pond. Some areas of sediment deposition and scouring were noted in the berm. Spencer indicated that the structure is maintained regularly throughout the year, a process that has been made easier with aggregate now accessible from an adjacent production site. Spencer also informed the Inspectors that dedicated lines and pumps now exist to better handle pumping to and discharging from the pond. A bermed containment area has been constructed east of the pond where runoff was found to be collecting. This water is now contained in this location and pumped into the pond as required.

Next, the Inspectors visited the crusher pad where both ore (class 1 and class 3) and aggregate are crushed. The crushers were not in operation during the inspection. The main topic of discussion was dust suppression during the crushing process. Spencer informed the Inspectors of the use of dust suppression product and showed the Inspectors how the product is applied at two points in the crushing process. Spencer explained that both aggregate and ore are treated. However, only fines, and not lump is being treated currently. The inspectors enquired about the specifications of the dust suppression product and Spencer indicated there has been communication with the distributor and the product is being used according to manufacturer specifications.

3.6 CV187

The two culverts at this crossing next to Sailiivik Camp were completely blocked during the June 2025 inspection. At the time, Baffinland had resorted to pumping water across the road. These culverts were replaced only days after the June inspection and were in good repair at the time of the September 2025 visit. In addition to culvert replacement, the embankment had been stabilized with armored stone. Some minor concerns related to exposed fines on the north side of the crossing were noted by the Inspectors. Overall, there has been vast improvement at this crossing. Bill explained that the area to the southeast of the crossing is expected to be developed as a loading site for the Steensby Rail. Plans to build an additional water management structure at this location have been put on hold indefinitely.

3.7 Camp Lake and Camp Lake Tributary

No concerns related to water quality were noted at Camp Lake or Camp Lake Tributary. As observed across the mine site, turbidity was very low, and erosion and sediment controls were working as intended. The armoring along the slope adjacent to Camp Lake was in good condition. Debris including old silt curtains and Styrofoam floats was present along the beach at Camp Lake. This debris should be cleaned up to prevent it from breaking apart and dispersing into the lake and surrounding habitat. This issue has been documented previously and reinforces the

general recommendation to clear unused materials and debris from the site. Bill informed the Inspectors that the culvert at the Camp Lake Tributary would eventually be replaced, however the issue has been deemed non-urgent as there is still flow through the culvert.

3.8 Oil Water Separator (Adjacent to the Airstrip)

The Inspectors visited the oil/water separator located adjacent to the airstrip (south side) where minor concerns were noted during the June 2025 inspection. Specifically, during the previous inspection unlabelled totes were observed in standing water. At the time of the current inspection, these totes were labelled as 'wastewat,er'. It was also explained that the standing water previously noted is the wastewater being treated in the first step of the oil/water separation process. The oil/water separator appeared to be working as intended. There was very little wastewater within the bermed containment area, and the Inspectors understand that very little water is discharged to the tundra at the end of the separation process.

4 Tote Road

The focus of the second day of the inspection, September 16th, 2025, was the Tote Road as well as Milne Port. At KM33, the truck the Inspectors and Bill Bowden were travelling in broke down. Bill and the Inspectors were picked up by Matt Weaver (Baffinland) who joined the group for the remainder of the inspection.

Throughout the inspection, the ongoing issue of dust generation was noted along the Tote Road. Bill informed the inspectors that calcium chloride and water continue to be applied to the road as a method of dust suppression. It was noted that there were areas of notable dry conditions along the road generating large amounts of dust, while other areas were moist, generating little to no dust. It was unclear if the areas not generating dust were treated, or simply areas that retained more moisture.

4.1 KM97

The first stop during the inspection of the Tote Road was the KM97 Bridge. Bill explained that the bridge had been reinforced with a buried sea can at each approach. This reinforcement appears to have been successful, and the Inspectors did not note any concerns related to the bridge. Two CSP culverts just east of the bridge were inspected and Inspectors noted that the culverts were perched. However, as the main flow of the watercourse is directed under the bridge, it was determined that these culverts do not impede fish passage at this crossing.

4.2 CV001 @ KM95

Bill explained that the two CSP culverts at this location provided a strong example of the success of culverts designed with consideration of site-specific conditions. The culvert replacement at KM95 occurred during the 2024-2025 winter season. The main culvert is embedded and is functioning well. At this crossing Bill also showed inspectors an example of the new fish crossing signs. These signs have been installed at all fish bearing crossings along the Tote Road. These signs will assist in implementing the snow management plan by indicating areas where snow piling is prohibited.

4.3 BG27 @ KM87.5 Washout

This site, next to Davids's Lake, experienced significant erosion during the September 2024 unprecedented rain event. During the June 2025 inspection it was noted that washout in the area may have resulted in a pool where fish could potentially be isolated. During the current inspection, the Inspectors did not notice any isolated pools and had no concerns about fish movement south of the Tote Road, upstream of David's Lake. The three culverts here were perched with significant erosion having occurred on the embankment. Bill and the Inspectors agreed these culverts presented a barrier to fish passage. Bill informed the Inspectors that a fish salvage had been

performed in this location, and that these culverts would be repaired, either through replacement or retrofitting, this winter following the original DFO authorization. Another culvert further to the north at this location was not perched and functioning as intended.

4.4 CV216 @KM81

This site was a focal location of the September 2025 inspection. These 5 culverts were replaced in 2024 after structural problems were identified with the former culverts. Due to complication that likely involve an ice lens in the location, the culverts experienced significant vertical and horizontal compression, and all 5 culverts are completely blocked. Emergency work is scheduled to occur on the crossing within 2 weeks of the inspection (week of September 25th), with the plan to move the Tote Road 30 m upstream (south). Once the new road and crossing is constructed, the existing crossing will be removed entirely. At the time of inspection, plans were in review with DFO. The Inspectors had concerns that the same issues associated with the ice lens would occur at this new crossing. We asked that Bill/BIM provide an update to QIA once the repairs were completed at this location.

4.5 KM80

Similarly to the KM97 bridge, this bridge was reinforced by burying sea cans at the approach of both side, with the goal of improving the stability of the bridge and Tote Road. There were no concerns noted at the KM80 bridge.

4.6 CV78 @ KM64

This location experienced heavy rainfall and extremely high flows during the unprecedented rain event in September 2024. Since the event, significant upgrades have occurred at this crossing including armouring of the embankment along the Tote Road, the replacement of 2 culverts, and the installation of check dams. The Inspectors noted that fine sediment had collected in the check dams east of the Tote Road and should be cleaned out to prevent sediment from being flushed downstream during high flows. While the culverts were in good condition at the time of inspection the Inspectors did note that the size of culverts seemed small considering the high flows experienced in this area during rain events.

On the west side of the Tote Road, at least 3 culverts remained on the tundra. These culverts were washed out during the September 2025 rain event. These culverts should be removed from the area. Bill was aware of the issue and indicated the remaining culverts would be removed once the ground froze and access with heavy machinery was possible.

4.7 KM63 Bridge

As with the previously mentioned bridges, the KM63 bridge was reinforced with sea cans to improve the stability of the bridge and Tote Road. No structural integrity concerns, or concerns related to erosion were noted at the KM63 bridge. The two culverts immediately south of the bridge were perched on the west side. However, as the main flow is directed under the bridge, it was determined that this would not affect fish passage. Bill informed the Inspectors that DFO had recently inspected the culverts and agreed that the perching of the culverts was not of concern. Downstream of the culverts minor erosion was observed on the north side of the channel. Remedial rock work was evident immediately downstream of the culvert but did not extend to the area where erosion was noted. During the time of inspection flows were low and no concerns with turbidity were noted in the area.

4.8 CV106 @ KM33

There was currently no flow through the two culverts at KM33. Bill informed the Inspectors that these culverts have likely also been damaged due to an ice lens in this location. The culverts were installed perpendicular to the Tote Road, which does not follow the natural path of flow. This has resulted in flows through the road and around the

culverts which has melted the ice lens and led to damage of the culverts. Bill told the Inspectors that CV106 is not on the list of culverts to be immediately replaced. He suggested that fish passage does not occur at the crossing and so the replacement has not been deemed an emergency. However, following the inspection, Inspectors were informed by Conor Goodard that Arctic Char have previously been observed stranded at this crossing. As a result, the Inspectors feel that the replacement of this culvert should be made a priority.

4.9 Phillips Creek Bridge @ KM17

The KM17 bridge was reinforced by burying sea cans at the approach of both side, which will hopefully help improve the stability of the bridge and Tote Road. No concerns were noted at this location.

4.10 Milne Port

The final stop on the inspection was Mile Port. The two ponds (East and West) were inspected. Baffinland informed the Inspectors that under the current water license, these ponds are no longer subject to any water quality parameter criteria and can be discharged directly into the marine environment. However, Bill informed the inspectors that Baffinland is still applying general project specifications to these ponds with the main parameter of concern being TSS. Water levels in both ponds were low during the inspection. There were no concerns about the structural integrity of the ponds.

While standing on the shore adjacent to the west pond, Inspector Andrew Jaworenko (QIA) noted debris on the shoreline northwest of the port. It is recommended that this debris be removed when access to the area is possible.

While at Milne Port, Spencer Stinson (Baffinland) provided the Inspectors a tour of the ship loading process. The Inspectors had the opportunity to climb the ship loader and observe a ship actively being loaded with iron ore material. No environmental concerns were noted during the inspection of the process.

5 Summary and Information Requests

A Scheduled Environmental Inspection of the Mary River Project Area was conducted by Chloe Robinson and Joe Cavallo from LGL and Andrew Jaworenko on behalf of QIA on September 17th and 18th, 2025. During the inspection, emphasis was placed on locations impacted by the September 2024 unprecedented rain event as well as locations of deficiencies noted during previous inspections. Overall, it was evident to the Inspectors that genuine efforts are being made to address deficiencies and improve site operations. However, some minor deficiencies remain as discussed below.

The Inspectors request the following information:

- Update on the performance of the water quality treatment measures at KM105 and whether clean out of fine sediments has been planned;
- Update on clean out of fine sediments at the rock check structures along the ditch at CV78 @ KM64;
- Update on the repairs of CV216 @ KM81;
- Update on CV106 @ KM33 and whether repairs are proposed at this location; and
- Update on dust treatment along the Tote Road.

6 Critical Recommended Actions

Recommended actions resulting from the inspection were discussed at the close out meeting between Joe Cavallo, Chloe Robinson, Andrew Jarowenko, and Bill Bowden. Current recommendations are provided in Table 1 attached to this report. A main recommendation made during the inspection is that accumulating sediment be removed from areas of accumulation. This is critical to prevent the migration of sediment further downstream during high

flow conditions. Accumulating sediment was noted at multiple locations during the inspection including upstream of the KM105 dam and at the KM64 crossing.

The other reoccurring recommendation was related to the clean-up of debris across the project site. Project debris was noted on the beach at Camp Lake, at KM 64 and on the shoreline northwest of Milne Port. Addressing this deficiency is important to ensure that debris does not migrate into surrounding habitats, where it could negatively affect wildlife and water quality.

We recommend that culvert CV106 @ KM33 be replaced due to the issues noted related to the maintenance of flows and fish passage. The new design should incorporate site specific information/conditions including geotechnical data to inform whether underlying ice lens conditions might compromise future function. As noted, this culvert supports fish-bearing habitat and as such, should be made a priority.

Multiple upgrades to crossings along the Tote Road are expected to occur in the coming months. This includes emergency works on CV216 and upgrades to the crossing at KM 87.5. It is recommended that Baffinland provides an update to QIA related to these works as they occur. As requested during the June 2025 inspection, it is also recommended that Baffinland provides QIA with a schedule of culvert replacements.

In addition to the above noted recommendations, concerns noted during previous inspections remain relevant. Erosion and sedimentation controls, including coir logs, should continue to be installed around the mine site where required to prevent sedimentation into Sheardown and Camp Lake Tributaries. The effectiveness of the treatment train at KM 105, and of dust suppression methods along the Tote Road should also continue to be monitored.

7 Conclusion

The Inspectors feel that overall, the inspection was very positive. Progress has been made on many long-standing issues, and only minor concerns were noted. Inspectors urge Baffinland to continue working in the right direction to ensure site operations are in compliance with project commitments.

Should you wish to discuss any aspects of this letter, please feel free to contact either of the undersigned.

Respectfully submitted,

LGL LIMITED

Chloe Robinson, M.Sc.
Biologist

Joseph Cavallo
Senior Biologist

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
1	Crusher pad and water/oil separator fuel berm	Totes were not labelled properly and located in an unknown liquid.	• Totes should be labelled to reflect the liquid contained. • Totes and fuel drums should not be sitting in unknown liquid. The liquid should be removed and disposed of following proper protocols.	**Concern addressed as of September 2025 inspection. The totes have been labelled indicating they contain wastewater. Standing water is wastewater being batch treated as a part of the oil water separation process.**
2	New sediment treatment approach prior to Sheardown Tributary and fish bearing waters.	Baffinland has provided an updated approach for treating sediment upstream of Sheardown Tributary. In essence, KM105 Dam has been abandoned, and a treatment train approach has been established upstream.	• Continue to monitor the efficacy of the new approach, which is described in the June 2025 Memo. • Provide an update on the flow structure at the final discharge point. • Baffinland should have a plan in place for future spring freshets of higher intensity.	**Treatment train approach appears to be working well.** Plans for weir structure have not been provided. Unclear if a plan is in place for higher intensity spring freshets.
3	Water crossings on the project area	Replacement of culverts. Baffinland stated a schedule of culvert replacements would be produced based on priority.	• Provide QIA with a schedule of culvert replacements.	**Bill provided updates as we progressed through the inspection.**
4	Ditches along the Mine Haul Road	The informal ditches are collecting road and hillslope runoff and is flowing downstream unchecked	• The ditches should be reconstructed and sized to convey high flows, and rock check dams should be	No action observed. **No sediment laden waters were observed during the September 2025 Inspection.**

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
		and with no controls during high flow periods. Sediment-laden runoff was observed on September 11 originating from up-slope at approximately KM 106.5 running into the north ditch of the haul road.	installed per typical specifications to reduce velocities, allow for settling and to reduce erosion in the ditches. • Reduction of TSS entering KM 105 pond in upstream catchment will significantly aid in reducing treatment issues in the control pond. • The source of the sediment-laden runoff observed at approximately KM 106.5 should be assessed and remediated to prevent further sedimentation into the Haul Road ditch. We recommend effort be placed on prevention of sediment laden sources of water from entering runoff which contributes to the KM 105 pond input and placing emphasis of treatment at the source.	

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
5	Throughout the project area but particularly at stream crossings	High amounts of road sediments are entering stream channels and lakes throughout the site. Rain and snowmelt events exacerbate this.	We recommend that an effective sediment and erosion plan be implemented, and that regular and post-flow event monitoring occur by qualified individuals. ESC controls such as coir logs, sediment curtains and other measures (as possible for this environment) be used liberally. Examples of locations to use these measures include: • Roadside margins to prevent and/or divert sediment-laden water from flowing towards streams and/or lakes • Areas adjacent to waterbodies to prevent sediment-laden water from entering streams and/or lakes. We suggest that sediments be controlled at the source as the first step in the treatment train of measures. A maintenance staff and program are recommended to respond to issues in a timely and effective manner. Issues should be	Yes, some stream crossings have been lined with extensive areas of angular rock. We continue to recommend more liberal use of coir logs along any of the roads, to prevent sedimentation into the streams and lakes. **Coir logs have been placed along the road behind Sailiivik Camp to reduce erosion into Sheardown Tributary. Rock revetments have also been used at several locations, to good effect.**

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
			proactively addressed (i.e., prior to rain events or spring freshet).	
6	Throughout the project area but particularly along the Tote Road	Excessive amounts of dust from heavy equipment and haul trucks observed throughout the project areas, but particularly along the Tote Road have previously ben observed. Significant airborne dust was not noted during this Inspection along the tote road, due to the relatively wet conditions due to recent rain.	The mineralogical and particle size characterization conducted by LGL and MISL, determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road. One of the major constituents (chlorite), is relatively hydrophobic and may not respond effectively to water-based dust suppression techniques. LGL recommends BIM uses the knowledge generated from this effort to further explore dust suppression techniques with the highest performance efficacy on clay minerals and K-feldspar. We understand through discussion with BIM that they have worked with specialty companies such as Veolia in the past. We encourage that the results of the Tote Road analysis be shared, and the most effective and safe product be trialled.	No effective dust suppression action observed. **In locations where calcium chloride was applied there was notable declines in dust. However, this was not applied regularly throughout the project area.**

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
			We also suggest the following as an interim measure, until a suitable product with efficacy greater than water can be determined: • Regular schedule of water trucks to continually spray the road surface to discourage any mobilization of dust (depending on time of year). • Increase the number of water trucks available at any given time. • An effective early notification system is required to alert managers when dust levels are increasing. • Regularly wash heavy equipment to remove sediments and dust. • Monitor airborne dust levels and the accumulation of dust on the tundra. • Develop a monitoring methodology for dust dispersion to determine 'hot	

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LGL Limited – Ecological Review of the Mary River Project				
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			spots' and to determine various levels of impacts. • Monitor the long-term health of tundra vegetation within an area of impact determined on the above.	
7	Immediately downstream of pond KM 105	Fine sediments (silt/clay) were observed in the areas downstream of the KM 105 dam. These sediments are believed to be a result of the dam bypass and from high sediment load events. The sediments appear to be fine silts/clays. These introduced fine sediments have the potential to change the shallow soil characteristics (nutrient balance, pH, and other edaphic characteristics) and have an altering effect on the native vegetation.	• Remediation of the KM 105 pond dam and upstream channel will minimize the amounts of fine sediments able to travel downstream. • Continue to monitor turbidity, water levels and chemical parameters in pond KM 105. • Increased ESC controls should be employed to minimize entrained sediments and encourage settling (turbidity curtains, silt fencing, filter logs, etc.) • The functionality of the water treatment system would help to effectively treat water quality	Yes, but attempts to repair KM 105 pond have been unsuccessful. KM105 is no longer part of the surface water management strategy. **No sediment or turbid water observed downstream of the KM 105 dam. The current treatment train of measures appears to be functioning as intended, however snowmelt/freshet in 2025 was of low intensity.**
8	Waste Rock Facility Water Treatment Plant at top of Mine Site	We observed the Treatment Plant at the top of the Mine Site where ferric-flocculant- lime treatment	• Continue to monitor turbidity and other chemical	Complete the leak detection investigation that was scheduled to be completed

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
		train was in use to mitigate low pH runoff from the mining areas. Effluent was discharged several hundred metres to the east onto the tundra. No issues were noted on the date of observation. Conditions were snow covered and the plant was not yet running. The treatment pond leakage planned to be tested in the summer of 2024 to diagnose the source of the loss of water did not occur.	parameters of effluent and ensure no exceedances. • Ensure contingency plan in the event of large quantities of runoff exceeding capability of the treatment infrastructure.	during the snow free period of 2024 or devise alternate plan to ensure that contents of SCP are not released to the environment. **No new updates following the September 2025 inspection. No leaks were observed in 2025.**
9	KM 106 Ore Stockpile (Glencore)	It was understood from BIM staff that the entire stockpile is owned by Glencore and is planned to be transported to Steensby Port upon completion. An area of fines was observed in the upper reaches of the north facing slope of the stockpile.	• A safety plan should be developed to ensure that another flow failure event is not triggered if heavy equipment is operated on the surface of the stockpile whenever the stockpile is relocated.	No further actions have been taken at this location.
10	KM 81 Stream Crossing	A road washout previous to the visit had occurred and road repairs were ongoing during the inspection.	• We suggest that the amount of fine materials in the short section of channel downstream of the culverts, and upstream of the lake, be monitored over time and that	New concern **Repairs to the Tote Road have occurred. Emergency work is scheduled to occur**

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
			an assessment of whether any impacts to fish habitat in Muriel Lake, has occurred.	**on the crossing within 2 weeks of the inspection. We asked that BIM provide an update to QIA once the repairs were completed at this location.**
11	SDCT-1 Tributary at KM 63	The two CSP's south of the main bridge structure are significantly perched creating a barrier to fish passage. Streambank erosion has occurred downstream of the two CSP culverts due to scour.	• Mitigate the perched condition of the CSP's to ensure free passage of fish through the structure. • Monitor the streambank erosion downstream of the culverts	**Culverts do not need to be replaced as fish passage is possible under KM 63 bridge. Remedial rock work has occurred along the streambank but does not reach the area where additional erosion was observed.**
12	KM 33 Stream Crossing/**CV106**	Recent rock revetment work was completed. Water is flowing under the recently placed rocks preventing fish passage.	• This area should be observed over time to determine whether fine materials will accumulate to a degree enough to encourage surface flows.	Concern from 2024. **We recommend that culvert CV106 @ KM33 be replaced due to the issues noted related to the maintenance of flows and fish passage. This is a fish-bearing watercourse.**

Table 1. LGL Limited

LGL Limited – Ecological Review of the Mary River Project				
Item No.	**Project Location**	**Description of Concern**	**QIA Requested Action**	**Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from September 2025)**
13	Milne Port	Dark coloured sediments at Milne Port have been observed since 2023. A sample of the material was collected and analyzed and reported an elevated level of iron.	• A plan to prevent these sediments from entering the nearshore area and ultimately the marine environment should be developed and implemented.	Concern from 2024. **There has been no change in operations resulting from past recommendations.**
14	Throughout the project area, specifically at KM 105 and KM 64	Significant amounts of sediment are accumulating within filter berms and check dams across the project area. This was specifically noted downstream of the second filter berm at KM 105, and within the check dams east of the Tote Road at KM64. This sediment is at risk of being flushed into nearby watercourses/habitat under high flow conditions.	• Sediment that has accumulated within check dams and filter berms should be removed regularly. • **We suggest this work be complete during frozen ground conditions, such that large equipment does not disturb natural areas/tundra. The use of vacuum truck should be considered.**	New Concern. **Clean out of the fine sediments at KM105 upstream of the dam structure is recommended.** **Fine sediments at the rock check structures along the ditch at CV78 @ KM64 were observed and should be cleaned out.**
15	Throughout the project area, specifically at KM 64, Camp Lake and on the northwest shore across from Milne Port	Debris related to project works including washed out culverts and silt curtains no longer in use was noted across the project area specifically at KM 64, Camp Lake and on the shoreline northwest of Milne Port.	• Remove debris including erosion and sedimentation controls that are no longer effective/in-use.	New Concern. **Andrew Jaworenko noted debris along the shoreline northwest of Milne Port**

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 1 –Waste Rock Facility Pond still frozen and covered in snow (September 17, 2025).

Photo 2 – Area of snowmelt seepage southwest of Waste Rock Stockpile(September 17, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 3 – Low water levels in KM 106 pond (September 17, 2025).

Photo 4 – Former drainage gully north of the KM106 pond (September 17, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 5 –Partially frozen conditions at KM105 pond (September 17, 2025).

Photo 6 – Accumulation of sediment downstream of second filter berm at KM105 pond (September 17, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 7 –Geotube infrastructure in place but not in use downstream of KM105 dam (September 17, 2025).

Photo 8 – Clear water downstream of KM105 dam. Area of upwelling present in the left corner of photo (September 17, 2025).

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APPENDIX A - PHOTOGRAPHS

Photo 9 –Silt curtain in place at polishing pond downstream of KM105 dam (September 17, 2025).

Photo 10 – Final discharge point and location of proposed weir structure downstream of KM105 (September 17, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 11 – Clear water in Sheardown Tributary (September 17, 2025).

Photo 12 – Clear water at the convergence of Sheardown Tributary and Sheardown Lake (September 17, 2025).

Photo 13 – Low water levels in the Crusher Pond (September 17, 2025).

Photo 14 – Berm and ditches surrounding the Crusher Pond (September 17, 2025).

Photo 15 – Fines stockpile at the crusher pad (September 17, 2025).

Photo 16 – Bermed containment area east of the crusher pond (September 17, 2025).

Photo 17 – Two totes of dust suppression product stored in shipping container (September 17, 2025).

Photo 18 – Crusher at the crusher pad (September 17, 2025).

Photo 19 – CV187 replaced in June 2025 (September 18, 2025).

Photo 20 – Area of proposed rail infrastructure southeast of CV187 (September 18, 2025).

Photo 21 – Debris on beach at Camp Lake (September 18, 2025).

Photo 22 – Gabion wall at Camp Lake (September 18, 2025).

Photo 23 – Spring berm in place at Camp Lake Tributary (September 18, 2025).

Photo 24 – Clear water in Camp Lake Tributary (September 18, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 25 – Labelled totes at Oil Water Separator (September 18, 2025).

Photo 26 – Tundra where water is discharged following oil water separation process (September 18, 2025).

Photo 27 – Perched culverts at KM97 (September 18, 2025).

Photo 28 – Reinforced bridge at KM97 (September 18, 2025).

Photo 29 – CV001 at KM95 (September 18, 2025).

Photo 30 – Example of newly installed ‘Fish Crossing’ sign at KM95 (September 18, 2025).

Photo 31 – Example of dust created by truck traffic along the Tote Road (September 18, 2025).

Photo 32 – Dust at the Mine Site (September 18, 2025).

Photo 33 – Area of erosion (KM87.5) adjacent to David's Lake (September 18, 2025).

Photo 34 – Culverts to be replaced at KM87.5 (September 18, 2025).

Photo 35 – Perched culverts and erosion on embankment at KM87.5 (September 18, 2025).

Photo 36 – Davids Lake (September 18, 2025).

Photo 37 – Compressed culverts at KM216 (September 18, 2025).

Photo 38 – Compressed culverts at KM216 (September 18, 2025).

Photo 39 – Location of Tote Road relocation 30 m south of existing culverts at KM81 (September 18, 2025).

Photo 40 – Muriel Lake (June 18th, 2025).

Photo 41 –Accumulation of sediment in check dams at KM64 (September 18, 2025).

Photo 42 – Culverts at KM64 (September 18, 2025).

Baffinland Mine Site September 2025 Environmental Investigation
APPENDIX A - PHOTOGRAPHS

Photo 43 – Location of washed-out culverts at KM64 that need to be removed (September 18, 2025).

Photo 44 – Erosion on hill at KM64 showing high flow levels during September 2025 rain event (September 18, 2025).

Photo 45 – Perched culverts at KM63 bridge (September 18, 2025).

Photo 46 – Clear, flowing water at KM63 bridge (September 18, 2025).

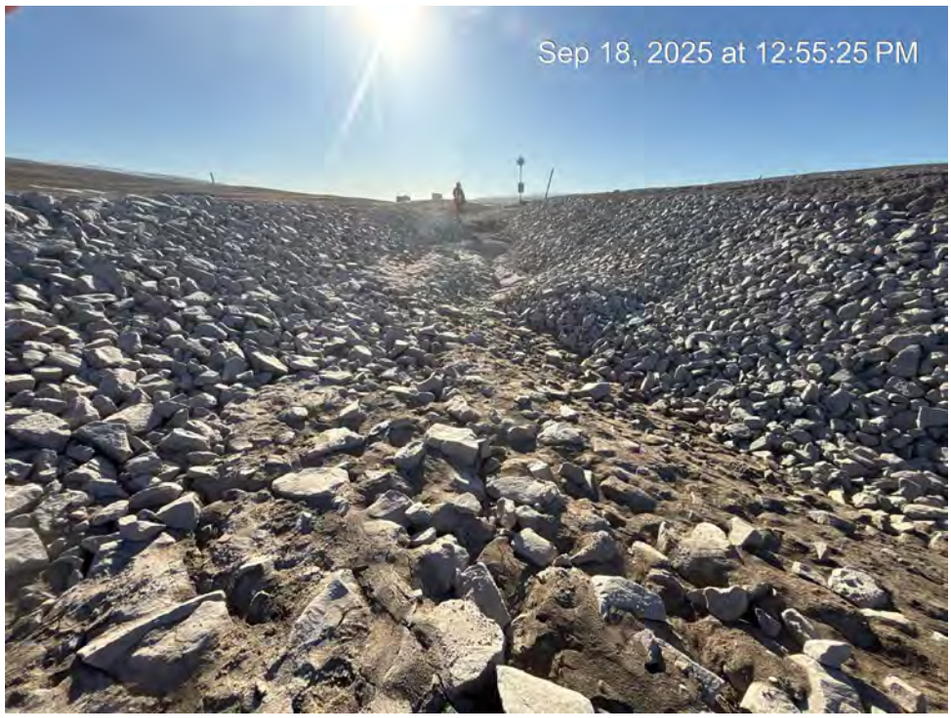

Photo 47 – Sediment accumulation but no flow in ditch upstream of culverts at KM33 (September 18, 2025).

Photo 48 – Blocked culverts at KM33 (September 18, 2025).

Photo 49 – Clear flows under KM17 bridge (September 18, 2025).

Photo 50 – Corner of buried sea can used to reinforce KM17 bridge (September 18, 2025).

Photo 51 – East stockpile discharge pond (September 18, 2025).

Photo 52 – West stockpile discharge pond (September 18, 2025).

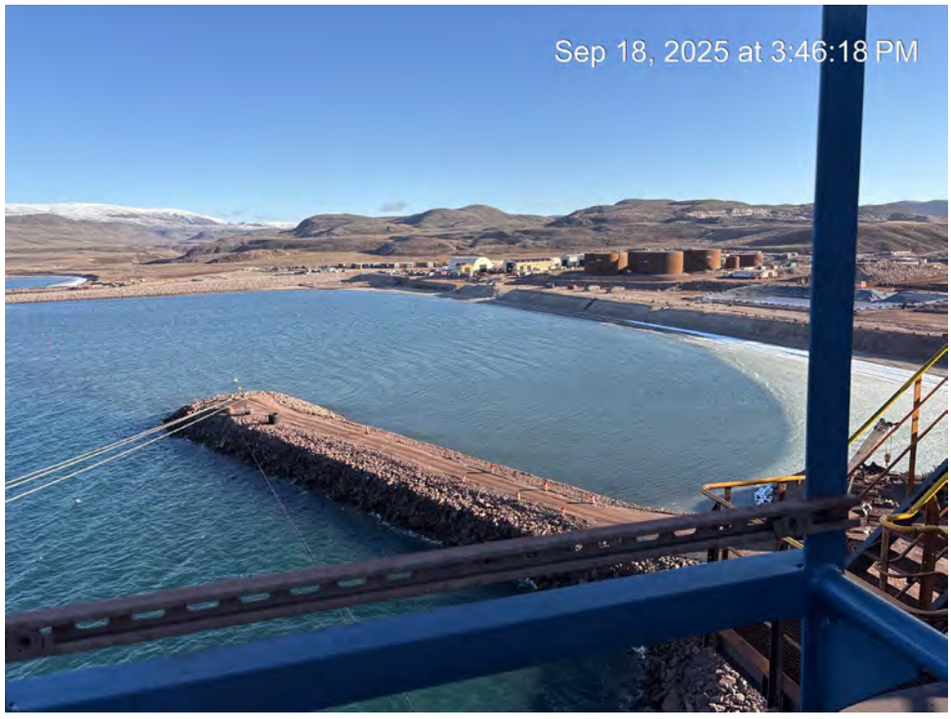

Photo 53 –View of Milne Port infrastructure from the ship loader (September 18, 2025).

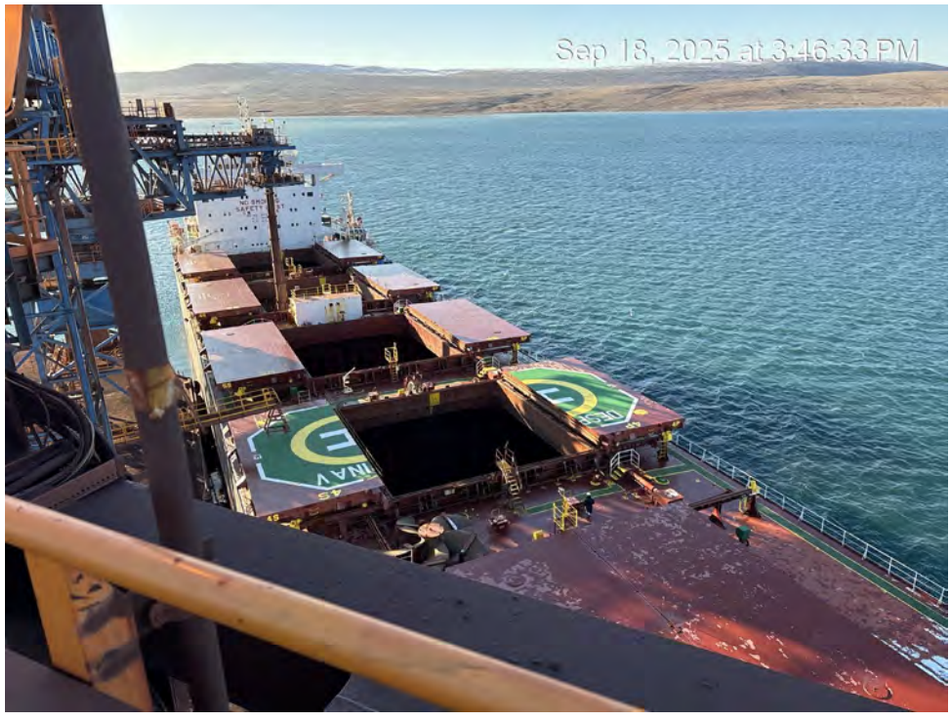

Photo 54 – View of ship loading process from the top of the ship loader (September 18, 2025).

March 9 2026

Conor Goddard
Manager of Project Compliance and Monitoring
Qikiqtani Inuit Association
Iqaluit, NU
X0A 0H0

Re: Response to Inspector's Requests – 2025 Environmental Inspection Reports – June & September

The following submission from Baffinland Iron Mines Corporation (Baffinland) is a follow up in response to the Qikiqtani Inuit Association's (QIA) 2025 Environmental Inspection Reports for inspections conducted in June and September of 2025.[1,2] Attachment 1 provides a summary of the QIA's inspection recommendations and Baffinland's responses to these items.

It should be noted that the QIA inspection reports are cumulative in nature, with the September report building on observations and recommendations from the June inspection. To maintain consistency and clarity, Baffinland has structured the responses in Attachment 1 using the format and numbering presented in the September 2025 inspection report. Items 5, 6, and 10 from the June 2025 inspection report have not been included in Attachment 1, as LGL confirmed that these items were closed in the June report. In addition, Items 14 and 15 appearing in the September 2025 inspection report represent new recommendations that were not identified in the June inspection, and as such have been included in attachment 1.

Should you have any additional concerns or questions regarding the attached responses, please do not hesitate to contact the undersigned at your convenience.

Regards,

William Bowden

William Bowden
Environmental Manager

CC: Lou Kamermans, Todd Swenson, Laurence Serra

Attachments

Attachment 1 – Baffinland Responses to QIA's September Environmental Inspection Report

[1] QIA (2025) QIA Baffinland Iron Mines Corporation Commercial Lease Environmental Inspection Report – June, 2025, dated September 9, 2025.
[2]QIA (2025) QIA Baffinland Iron Mines Corporation Commercial Lease Environmental Inspection Report – September, 2025, dated November 14, 2025.

Attachment 1 - Baffinland Responses to QIA's June & September Environmental Inspection Reports

Item No.	Project Locations	QIA Description of Concern	QIA Requested Action	QIA September Inspection Comments	Baffinland Response
1	Crusher pad and water/oil separator fuel berm	Totes were not labelled properly and located in an unknown liquid.	• Totes should be labelled to reflect the liquid contained. • Totes and fuel drums should not be sitting in unknown liquid. The liquid should be removed and disposed of following proper protocols.	Concern addressed as of September 2025 Inspection. The totes have been labelled indicating they contain wastewater. Standing water is wastewater being batch treated as a part of the oil water separation process.	No response required (as noted by the inspector, this concern was addressed). Baffinland utilises HWB#7 berm as a treatment berm and the totes stored within HWB #7 are part of the treatment process. Ongoing treatment will continue to reduce existing totes within the berm and new totes will then replace the completed totes.
2	New sediment treatment approach prior to Sheardown Tributary and fish bearing waters.	Baffinland has provided an updated approach for treating sediment upstream of Sheardown Tributary. In essence, KM105 Dam has been abandoned, and a treatment train approach has been established upstream.	• Continue to monitor the efficacy of the new approach, which is described in the June 2025 Memo. • Provide an update on the flow structure at the final discharge point. • Baffinland should have a plan in place for future spring freshets of higher intensity.	Treatment train approach appears to be working well. Plans for weir structure have not been provided. Unclear if a plan is in place for higher intensity spring freshets.	Baffinland will continue to monitor and sample at an industry standard frequency. Monitoring samples are taken from the discharge point downgradient of the KM 105 valley infrastructure on a weekly basis. The conceptual design was shared with Conor Goddard and Assol Kubeisinova via email on October 31, 2025. Baffinland is currently working to finalise an IFC design for an additional engineered filter berm and Final Discharge Point following the conceptional design being shared. An end of year report will be provided for the KM 105 Water Management Facility in Q1 of 2026 summarizing historical operations, remediation and mitigation measures, 2025 water quality results and mitigation performance, as well as the proposed 2026 water management approach.
3	Water Crossings on the project area	Replacement of culverts. Baffinland stated a schedule of culvert replacements would be produced based on priority.	• Provide QIA with a schedule of culvert replacements.	Bill (William Bowden) provided updated as we progressed through the inspection.	Baffinland will continue to collaborate with its third-party consultant and Fisheries and Oceans Canada to identify and prioritize culverts requiring replacement, secure the necessary permits, and develop designs appropriate for Arctic conditions. Accordingly, Baffinland worked with DFO in 2025 to design and permit replacements and/or retrofits for CV 216, CV 114, CV 112, BG 17, CV 224, CV 111 and CV 078. The designs were approved by DFO and Baffinland is currently undergoing construction per design for select culverts as resources allow. Significant construction and weather challenges were experienced during the CV 216 replacement at km 81 which has impacted progression of other culverts. Baffinland completed the retrofit of BG 17, and has scheduled CV 216, CV 078 and CV 106 for the remainder of the 2025/2026 winter construction season. Baffinland is currently finalising designs for DFO approvals for CV 106, BG 27, BG-01, BG 24, BG 30, CV 225 and CV 079.
4	Ditches along the Mine Haul Road	The informal ditches are collecting road and hillslope runoff and is flowing downstream unchecked and with no controls during high flow periods. Sediment-laden runoff was observed on September 11	• The ditches should be reconstructed and sized to convey high flows, and rock check dams should be installed per typical specifications to reduce velocities, allow for settling and to reduce erosion in the ditches. • Reduction of TSS entering KM 105 pond in upstream catchment will significantly aid in reducing treatment issues in the control pond.	No action observed No sediment laden waters were observed during the September 2025 Inspection (or during the June inspection).	Baffinland has previously responded to this comment comprehensively. The following summarizes the previous response provided in Baffinland's 2024 September inspection response: • These ditches are designed and constructed to appropriately convey high flows and sediment traps have been installed near historical culverts. Armouring of the ditches will continue to be completed to protect these features from erosion/degradation, but TSS removal is

		originating from up-slope at approximately KM106.5 running into the north ditch of the haul road.	• The source of the sediment-laden runoff observed at approximately KM 106.5 should be assessed and remediated to prevent further sedimentation into the Haul Road ditch. We recommend effort be placed on prevention of sediment laden sources of water from entering runoff which contributes to the KM 105 pond input and placing emphasis of treatment at the source.		difficult given the grade of the ditches and the resultant velocity and volume of water. • Settling of entrained sediments is best achieved in areas of low velocity where waters are sufficiently slowed and where chemical addition of coagulants and or flocculants can assist with settling of solids. The first opportunity for that decrease in velocity is within the KM 105 valley. Water management structures and the natural topography of this area promote reduction in velocity and therefore the settling of TSS. The new mitigation strategy for this area has been successful in 2025 as observed by the inspections. An end of year report will be provided for the KM 105 Water Management Facility in Q1 of 2026 summarizing historical operations, remediation and mitigation measures, 2025 water quality results and mitigation performance, and the proposed 2026 water management approach. • The Mine Haul Road ditch is designed to capture typical seasonal or irregular water sources such as that observed at Km 106.5. Sediment laden water is expected to report to the Mine haul road ditches and the observation of such is evidence the design is operating effectively. Water collected by the Mine Haul Road ditch system is conveyed to the KM105 facility, where flocculent treatment and settling occur to remove the sediments, as designed in the Mine Site Water Management Plan approved by the NWB as Modification Number 13 in 2021. In light of the comprehensive responses already submitted on this item, Baffinland considers this item closed.
5	Throughout the project area but particularly at stream crossings	High amounts of road sediments are entering stream channels and lakes throughout the site. Rain and snowmelt events exacerbate this.	We recommend that an effective sediment and erosion plan be implemented, and that regular and post-flow event monitoring occur by qualified individuals. ESC controls such as coir logs, sediment curtains and other measures (as possible for this environment) be used liberally. Examples of locations to use these measures include: • Roadside margins to prevent and/or divert sediment-laden water from flowing towards streams and/or lakes • Areas adjacent to waterbodies to prevent sediment-laden water from entering streams and/or lakes. We suggest that sediments be controlled at the source as the first step in the treatment train of measures. A maintenance staff and program are recommended to respond to issues in a timely and effective manner. Issues should be proactively addressed (i.e., prior to rain events or spring freshet).	Yes, some stream crossings have been lined with extensive areas of angular rock. We continue to recommend more liberal use of coir logs along any of the road, to prevent sedimentations into the stream and lakes. Coir Logs have been placed along the road behind Sailiivik Camp to reduce erosion into Sheardown Tributary. Rock revetments have also been used at several locations, to good effect.	Baffinland has previously responded to this comment comprehensively. As such, the previous response remains suitable and is provided from the September 2024 Environmental Inspection Report response: • Baffinland will continue to implement ESC measures in accordance with the Surface Water Aquatic Ecosystem Management Plan (SWAEMP). Baffinland will continue to investigate alternative ESC controls that can be appropriately deployed considering the unique conditions encountered on northern Baffin Island. • Baffinland will continue to implement ESC measures at the source, proactively when possible. In addition, and in support of this commitment, Baffinland placed a large sealift order for coir logs on the 2025 sealift, with the intention of gradually phasing out traditionally used temporary installations (silt fencing) with more permanent installations (coir logs) where applicable. Silt fencing will continue to be used for temporary measures during specific appropriate times such as during active construction, for example.

					Furthermore, Baffinland replaced CV 187 in 2025 to reduce potential erosion from the surrounding road embankments and to restore flow. The replacement included utilising geotextile cloth to secure potential erodible materials and significant armouring of the road embankments extending well beyond the crossing. Baffinland also trialled a Geocell new technology designed to stabilise loose and erodible materials within transportation corridors. The Geocell technology was installed upgradient of CV 187 as well as km 64 and km 81 on the Tote Road. In light of the comprehensive responses already submitted, with the above further clarification on this item, Baffinland considers this item closed.
6	Throughout the project area but particularly along the Tote Road	Excessive amounts of dust from heavy equipment and haul trucks observed throughout the project areas, but particularly along the Tote Road have previously been observed. Significant airborne dust was not noted during this Inspection along the tote road, due to the relatively wet conditions due to recent rain.	The mineralogical and particle size characterization conducted by LGL and MISL, determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road. One of the major constituents (chlorite), is relatively hydrophobic and may not respond effectively to water-based dust suppression techniques. LGL recommends BIM uses the knowledge generated from this effort to further explore dust suppression techniques with the highest performance efficacy on clay minerals and K-feldspar. We understand through discussion with BIM that they have worked with specialty companies such as Veolia in the past. We encourage that the results of the Tote Road analysis be shared, and the most effective and safe product be trialled. We also suggest the following as an interim measure, until a suitable product with efficacy greater than water can be determined: • Regular schedule of water trucks to continually spray the road surface to discourage any mobilization of dust (depending on time of year). • Increase the number of water trucks available at any given time. • An effective early notification system is required to alert managers when dust levels are increasing. • Regularly wash heavy equipment to remove sediments and dust. • Monitor airborne dust levels and the accumulation of dust on the tundra. • Develop a monitoring methodology for dust dispersion to determine ‘hot spots’ and to determine various levels of impacts.	No effective dust suppression actions observed. In locations where calcium chloride was applied there was notable declines in dust. However, this was not applied regularly throughout the project area.	Baffinland would like to confirm that all recommendations from QIA have been actioned and continue to be stewarded on the Project. A regular schedule for road watering supports dust suppression on transportation corridors and Baffinland has increased the number of water trucks available for dust suppression, including the addition of a CAT 777 water body to water the Mine Haul Road, which freed up another 745 Water truck to be available for Tote Road dust suppressions. Unfortunately, Baffinland did experience a vehicle fire on the tote road in 2025 which damaged a 745-water truck. All available and operable water trucks are deployed when conditions warrant, however it is important to note that due to our location, break downs, when they do occur cannot always be immediately repaired. Baffinland maintains a significant amount of critical spare parts in inventory, however for some equipment breakdowns, parts are sourced from southern suppliers and arranged as air cargo. We further confirm that any parts or resources required for dust suppression equipment are prioritized and brought to site and repairs made as quickly as possible, but we do acknowledge it is difficult to always have all trucks operational, despite robust preventative maintenance programs and servicing that is completed prior to freshet as part of Baffinland’s short and long-term planning process. Notwithstanding water truck availability, information presented to QIA through the Terrestrial Environment Annual Monitoring Reports (TEAMR) demonstrates that water alone is substantially less effective as a dust suppressant compared to calcium chloride. Based on the consistently improved results observed to date, Baffinland intends to continue applying calcium chloride as the primary dust suppression agent where appropriate. Increasing the number of water trucks would not meaningfully extend the effectiveness of water as a suppressant, nor would it address limitations associated with the total number of available water intake sources along the Tote Road and their associated daily volume restrictions.

			• Monitor the long-term health of tundra vegetation within an area of impact determined on the above.		Dust generation along the Tote Road is primarily associated with vehicle interaction with the road surface rather than the cleanliness of the equipment itself. Nonetheless, Baffinland will continue to wash heavy equipment in accordance with established preventative maintenance schedules to support overall operational housekeeping and equipment performance. Vegetation monitoring, including monitoring at sites adjacent to the Tote Road, is reported annually in the TEAMR. A long-term vegetation and soil base metals monitoring program was initiated in 2012, as described in the Terrestrial Environment Mitigation and Monitoring Plan (TEMMP). The objectives of the vegetation and soil base metals monitoring program are to monitor metal concentrations in vegetation and soil, particularly caribou forage (i.e., lichen) adjacent to Project activities, and verify that metal concentrations are within the acceptable range for established soil quality guidelines and relevant vegetation indicator values. The monitoring program was designed to align and facilitate comparisons with the dustfall monitoring program since dustfall deposition is the primary source of anthropogenic metals at the Project. Soil and vegetation sampling is conducted per three-to-five-year intervals, typically during the summer (late July to early August). Data has been collected from 2012 to 2022. The most recent program was completed in 2022. The 2022 program included a total of 61 sites conducted at three distances from the PDA (Near: 0–100 m, Far: >100–1,000 m, and Reference: >1,000 m). To date, no unifying trend has been drawn from the analysis. Should future monitoring indicate increasing concentrations of metals over time, the TEMMP/Trigger-Action Response Plan would guide future adaptive management response. With regards to the effective early notification system, Baffinland maintains that the number of tote road drivers and their effective communication with the Road Maintenance department provide sufficient situational awareness. A road free of airborne dust is also a safe road for driving, and any unsafe conditions, including reduced visibility due to dust generation are immediately communicated by OHT operators to Dispatch and Road Maintenance. As such, a separate notification system is not necessary, and 'hot spots' are being identified and addressed as required and in as timely a fashion as possible. In light of the comprehensive response presented above, Baffinland considers this item closed.
7	Immediately downstream of pond KM 105	Fine Sediments (silt/clay) were observed in the areas downstream of the KM 105	• Remediation of the KM 105 pond dam and upstream channel will minimize the amounts of fine sediments able to travel downstream.	Yes, but attempts to repair KM 105 pond have been unsuccessful.	Baffinland developed and deployed a 2025 mitigation strategy to address water quality and sediment transport issues related to the KM 105 Water

		dam. These sediments are believed to be a result of the dam bypass and from high sediment load events. The sediments appear to be fine silts/clays. These introduced fine sediments have the potential to change the shallow soil characteristics (nutrient balance, pH, and other edaphic characteristics) and have an altering effect on the native vegetation.	• Continue to monitor turbidity, water levels and chemical parameters in pond KM 105. • Increased ESC controls should be employed to minimize entrained sediments and encourage settling (turbidity curtains, silt fencing, filter logs, etc.) • The functionality of the water treatment system would help to effectively treat water quality	KM105 is no longer part of the surface water management strategy. No sediment or turbid water observed downstream of the KM 105 dam. The current treatment train of measures appears to be functioning as intended, however snowmelt/freshet in 2025 was of low intensity.	Management Facility, as described in Baffinland's 2024 KM 105 end of year summary report (issued January 22, 2025). Monitoring at the KM 105 facility is performed as per industry standards as well as per approved Water Licence frequencies. An end of year report will be provided for the KM 105 facility in Q1 of 2026 summarizing historical operations, remediation and mitigation measures, 2025 water quality results and mitigation performance, and the proposed 2026 water management approach. It should be noted that surface water monitoring continues at the discharge point of the KM 105 valley water management infrastructure as well as water treatment. There are no plans to remediate the KM 105 pond dam as it forms part of the water management infrastructure, regardless of the seepage it experiences, allowing for increased settlement, and water velocity reductions. Additional water management infrastructure was constructed in 2025 to improve KM 105 valley water management infrastructure and additional ESC measures including silt curtains and flocculants were employed in 2025. Upgrades to the infrastructure are currently under design.
8	Waste Rock Facility Water Treatment Plant at top of Mine Site	We observed the Treatment Plant at the top of the Mine Site where ferric-flocculant-lime treatment train was in use to mitigate low pH runoff from the mining areas. Effluent was discharged several hundred metres to the east onto the tundra. No issues were noted on the date of observation. Conditions were snow covered and the plant was not yet running. The treatment pond leakage planned to be tested in the summer of 2024 to diagnose the source of the loss of water did not occur.	• Continue to monitor turbidity and other chemical parameters of effluent and ensure no exceedances. • Ensure contingency plan in the event of large quantities of runoff exceeding capability of the treatment infrastructure.	Complete the leak detection investigation that was scheduled to be completed during the snow free period of 2024 or devise alternate plan to ensure that contents of SCP are not released to the environment. No new updates following the September 2025 inspection. No leaks were observed in 2025.	Baffinland has previously responded to this comment comprehensively. The following summarizes the response provided in Baffinland's 2024 September inspection response, with updates as applicable to reflect completed 2025 activities: • In 2025 Baffinland continued to monitor and submit reports containing results of turbidity and other required parameters as required by the Water License and MDMER. • Pumping infrastructure upgrades were completed in 2025, notably the reconfiguration of the piping layout to enhance access during freshet. Further pumping capacity improvements are planned for 2026. • For the 2025 operational year, Baffinland continued to monitor potential seepage and implement suitable controls to ensure proper management of potential seepage from containment facilities, as described in the 2024 September response. Potential seepage is contained by ditching and pumped back to the lined facility. No seepage was observed directly sourcing from the berm of the pond in 2025 and the alternate plan of capture and pumping remains in place, ensuring that no potential seepage is released to the environment. In light of the comprehensive responses already submitted on this item, Baffinland considers this item closed.
9	KM 106 Ore Stockpile (Glencore)	It was understood from BIM staff that the entire stockpile is owned by Glencore and is planned to be transported to	A safety plan should be developed to ensure that another flow failure event is not triggered if heavy equipment is operated on the surface of the stockpile whenever the stockpile is relocated.	No further actions have been taken at this location.	Baffinland has previously provided comprehensive responses to this comment. As such, the previous responses remain suitable and are reproduced below from the September 2024 Environmental Inspection

		Steensby Port upon completion. An area of fines was observed in the upper reaches of the north facing slope of the stockpile.			Report response, and the original 30-Day Follow-up Spill report submitted on July 23, 2023(presented in that order): 1. Baffinland will continue to take the precautions necessary to ensure that another flow failure does not occur, as per the Working Near Slopes, Pit Walls, Dumps and Stockpiles SOP. 2. A control berm was constructed 10m from the crest of the dump; barricading the area where ultra-fines had been placed. The fine material was then transferred by excavator to a stable location at the toe of the stockpile. Furthermore, during the September inspection, no immediate concerns regarding this matter were raised with Baffinland staff by LGL or QIA personnel conducting the inspection. In light of this, and the comprehensive responses already submitted on this item, Baffinland considers this item closed.
10	KM 81 Stream Crossing	A road washout previous to the visit had occurred and road repairs were ongoing during the inspection.	We suggest that the amount of fine materials in the short section of channel downstream of the culverts, and upstream of the lake, be monitored over time and that an assessment of whether any impacts to fish habitat in Muriel Lake, has occurred.	New concern Repairs to the Tote Road have occurred. Emergency work is scheduled to occur on the crossing within 2 weeks of the inspection. We asked that BIM provide an update to QIA once the repairs were completed at this location.	Repairs at the KM 81 culvert crossing (CV-216) are in progress. Significant construction and weather challenges were experienced during the CV 216 replacement at km 81 which has impacted progression. Baffinland remains committed to completing the construction prior to 2026 Freshet. An update on the CV-216 culvert installation will be provided with the submission of the 2025 QIA and NWB Annual Report for Operations.
11	SDCT-1 Tributary at KM 63	The two CSP's south of the main bridge structure are significantly perched creating a barrier to fish passage. Streambank erosion has occurred downstream of the two CSP culverts due to scour.	• Mitigate the perched condition of the CSP's to ensure free passage of fish through the structure. • Monitor the streambank erosion downstream of the culverts	Culverts do not need to be replaced as fish passage is possible under KM 63 bridge. Remedial rock work has occurred along the streambank but does not reach the area where additional erosion was observed.	DFO has agreed that these culverts do not need to be addressed due to the presence of the Bridge to accommodate fish passage.
12	KM33 Stream Crossing/CV106	Recent rock revetment word was completed. Water is flowing under the recently placed rocks preventing fish passage.	This area should be observed over time to determine whether fine materials will accumulate to a degree enough to encourage surface flows.	Concern from 2024. We recommend that culvert CV106 @ KM33 be replaced due to the issues noted related to the maintenance of flows and fish passage. This is a fish bearing watercourse.	Re-designs for CV 106 have been submitted to DFO and are currently under review. Construction and replacement will be scheduled following the review and approval.
13	Milne Port	Dark coloured sediments at Milne Port have been observed since 2023. A sample of the material was collected and analyzed and	A plan to prevent these sediments from entering the nearshore area and ultimately the marine environment should be developed and implemented.	Concern from 2024. There has been no change in operations resulting from past recommendations.	Baffinland has previously responded to this comment comprehensively. As such, the previous response remains suitable and is provided from the September 2024 Environmental Inspection Report response: As referenced in the (September 2024) inspection report, results from the sample taken by the inspectors reveal that concentrations did not exceed

		reported an elevated level of iron.			sediment or soil quality guidelines. The concentrations of iron may be higher in comparison to the earth's crust, but this is due to the rich iron deposit Baffinland is mining. Baffinland proposes that site-specific background or sediment quality guidelines are more informative to utilize as opposed to the earth's crust. Baffinland will continue to monitor environmental effects in the marine environment in accordance with the Surveillance Network Program (SNP) and Marine Environmental Effects Monitoring Program (MEEMP). In light of the comprehensive responses already submitted on this item, Baffinland considers this item closed.
14	Throughout the project area, but specifically at KM 105 and KM 64	Significant amounts of sediment are accumulating within filter berms and check dams across the project area. This was specifically noted downstream of the second filter berm at KM 105, and within the check dams east of the Tote Road at KM64. This sediment is at risk of being flushed into nearby watercourses/habitat under high flow conditions.	• Sediment that has accumulated within check dams and filter berms should be removed regularly. • We suggest this work be completed during frozen ground conditions, such that large equipment does not disturb natural areas/tundra. The use of vacuum truck should be considered.	New Concern. Clean out of the fine sediments at KM105 upstream of the dam structure is recommended. Fine sediments at the rock check structures along the ditch at CV78 @ KM64 were observed and should be cleaned out.	The sediment contained within the rock check dams at CV-078 has been noted and was cleaned out in 2025. In 2026 all Sediment Control infrastructure along the tote road will be assessed as part of regular Tote Road Monitoring Program activities. With regards to KM 105, limited access for removing accumulated sediments has made maintenance difficult, highlighting the need for a new berm with better flow control and easier access. The conceptual designs for this new berm and the remainder of the proposed mitigations for the KM 105 water management infrastructure was shared with Conor Goddard and Assol Kubeisinova via email on October 31, 2025. Baffinland is currently working to finalise an IFC design for an additional engineered filter berm. It is expected to be placed at the location QIA notes and upon construction may create opportunity to remove accumulated sediment within the footprint. It should be noted however that retained sediment from the 2025 filter berm installed and flocculant treatment process upgradient of the Km105 dam is not at risk of being washed downgradient to potential receiving environments in high flows due the Km 105 Dam structure and silt curtains below.
15	Throughout the Project area, specifically at KM 64, Camp Lake and on the northwest shore across from Milne Port	Debris related to project works including washed out culverts and silt curtains no longer in use was noted across the project area specifically at KM 64, Camp Lake and on the shoreline northwest of Milne Port.	Remove debris including erosion and sedimentation controls that are no longer effective/in-use.	New Concern. Andrew Jaworenko noted debris along the shoreline northwest of Milne Port.	Old erosion and sediment control measures that are currently in disrepair will be assessed, maintained, and addressed in accordance with applicable management plans. Baffinland acknowledges that a small number of culverts washed out during the September 2024 rain event were not retrieved due to not being visible during the winter 2025 retrieval. Future retrieval activities will be rescheduled however the volume and extent of snow experienced in winter 2026 has contributed to retrieving the culverts challenging. Concerning the debris noted during the inspection at Camp Lake and the shoreline northwest of Milne Port, Baffinland will assess and conduct a cleanup of the area once snow free conditions occur. Site housekeeping and cleaning is regular occurrence that is part of Baffinland's sealift back haul operations and this will again occur in 2026.