

2022 MARGINAL CLOSURE AND RECLAMATION FINANCIAL SECURITY ESTIMATE

JUNE 8, 2022

REV 2



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1 INTRODUCTION

1.1 PURPOSE

The purpose of this 2022 Marginal Closure and Reclamation Financial Security Estimate ('2022 Estimate') is to provide a summary of the closure and reclamation security estimated to be required for the Mary River Project (the Project) to meet reclamation objectives as outlined in the Interim Mine Closure and Reclamation Plan (BAF-PH1-830-P16-0012). The total 'global' closure and reclamation security estimated to be required takes into consideration planned work in 2022 being conducted under Type "A" Water Licence 2AM-MRY1325, Amendment No. 1 and the Qikiqtani Inuit Association's (QIA) Commercial Lease No. Q13C301 in addition to previous Project closure and reclamation security.

The 2022 Estimate is intended to be inclusive of all closure and reclamation costs estimated to be required for a 3rd Party Contractor to perform the work in a 'worst-case' scenario for all disturbed areas, project components and project activities existing on the Mary River Project site upon conclusion of the 2022 Work Plan. For the purpose of this document, the material changes associated to security from the 2022 Work Plan are termed, '2022 Work Plan Security Estimate'.

In order for the 2022 Estimate to accurately reflect the total 'global' closure and reclamation security estimated to be required for the Project in 2022, this document also provides a summary of the identified Project components and activities that have materially changed since the 2021 Work Plan Addendum. Based on these identified material changes, the resulting associated security impacts (+/- \$) are also presented for incorporation into the 2022 Estimate to ensure accurate representation of the Project based on current planning.

1.2 REGULATORY CONTEXT

An annual adjustment to reclamation security is required under Section 9.2 of the Commercial Lease, No. Q13C301, agreed to between Baffinland and the QIA, as well as a requirement under the Type 'A' Water Licence 2AM-MRY1325, Amendment No. 1 (Part J, Item 3), and in consideration of the QIA Abandonment and Reclamation (A&R) Policy (QIA, 2013). Additionally, Part C, Item 3 of the Type 'A' Water Licence 2AM-MRY1325 and Section 9.2, Part i) of the Commercial Lease, No. Q13C301 allows for Baffinland (the Licensee) to request a change to the total amount of security outside of the ASR process. The 2022 Estimate therefore represents Baffinland's proposed adjustment to reclamation security to account for work conducted on site to date and planned work to be completed as described in the 2022 Work Plan. The amount of security estimated to be required is based on an estimate of the highest reclamation liability in the upcoming year¹ or 'worst case' scenario.

1.3 APPLIED RATES

The Arbitration between Baffinland and QIA regarding the 2019 Work Plan sought to resolve areas of high uncertainty and discrepancy between the respective estimates, including the unit rates to be applied.

¹ As per Type 'A' Water Licence 2AM-MRY1325, Amendment No. 1, Schedule C, Part 6, Item c.

Based on the direction from the Final Award, Baffinland's unit rates as presented in the 2019 Estimate were upheld. As a result, Baffinland has continued to utilize the established methodology from the 2014 Complete Project Financial Security Assessment, with the updated contractor rates included in the 2019 Work Plan.

The 2022 Estimate was developed by applying the direct cost unit rates to quantities of functional units of each activity or project component proposed/changed under the 2022 Estimate, unless indicated otherwise.

Based on the direct cost estimate, indirect costs required to support direct cost work were accounted for proportional to assumptions and considerations applied in the 2014 Complete Project Financial Security Assessment² and the outcomes of the Arbitration between Baffinland and QIA regarding the 2019 Work Plan. Indirect costs are additional costs outside of costs required for direct reclamation activities that are required to ensure reclamation objectives are met. The sum of direct and indirect estimated costs for the 2022 Estimate was then differentiated based on geographic liability allocation (IOL vs. Crown land) and relation to land or water liability. Appendix A presents the Mary River Project Estimate Breakdown Structure (EBS) which demonstrates the results of this process for all activities or project components proposed under the 2022 Estimate and all previous project financial security liabilities as described in previous ASR submissions.

All costs are in Canadian Dollars (CAD). All monetary totals are rounded to the nearest '000.

1.4 DOCUMENT STRUCTURE

The following outlines the structure of the 2022 Estimate document:

- Section 1 presents the purpose, regulatory context, applied rates used, and document structure applicable to the 2022 Estimate.
- Section 2 describes the '2021 Work Plan Reconciliation', and its resulting impacts to the 2022 Estimate.
- Section 3 provides a summary of the financial security estimated to be removed from the Estimate due to the 2021 Work Plan Addendum.
- Section 4 provides a summary of the financial security estimated to be required for marginal closure and reclamation liability increase associated with the Mary River Project 2022 Work Plan ('2022 Work Plan Security Estimate').
- Section 5 summarizes net impacts to the 2022 Estimate: and
- Section 6 lists supporting documentation that was available to determine costs and quantities for the purpose of the 2022 Estimate.

² As described in 2014 Complete Project Financial Security Assessment, H349000-1000-07-126-0018, Rev.1. Hatch. Submitted to parties October 31, 2014.

2 2021 WORK PLAN RECONCILIATION

In order for the 2022 Estimate to accurately reflect the total 'global' closure and reclamation security estimated to be required for the Project in 2022, the previous year's project estimates need to be reconciled. Activities previously proposed that require reconciliation fall into the following categories:

- a) Activities that have had security allocated to them that are no longer planned to be conducted.
- b) Activities that have been conducted but have no security explicitly allocated to them; and
- c) Materials and equipment that have arrived at the Project on the 2021 sealift, and were under or overestimated in 2021, or were backhauled from the project on the 2021 sealift.

The activities that fall into the above categories and their corresponding reconciliation action are described in the sub sections below. It should be noted that all activities in the 2021 Work Plan were planned to be conducted on Inuit Owned Land (IOL), and as a result all adjustments presented are relative to the IOL liability only.

For reconciliation of the mechanical and mobile equipment, the 2021 inbound manifests were compared with the 2021 Work Plan equipment list. If any new items brought to site were identified in the manifests that were not originally in the 2021 list, the new items were added to the Estimate Breakdown Structure (EBS) as "2022-R". Items that were included in the 2021 list but did not arrive to site (i.e., not included in the manifest), were removed from the Estimate Breakdown Structure (EBS) as "2022-R".

2.1 GRADE AND RE-CONTOUR

Baffinland has proposed that annual satellite imagery be used to reconcile the active and potential footprint of the Mary River Project relative to the quantities estimated in the annual Work Plan and ASR process since 2014. Baffinland retains high resolution satellite imagery annually, typically collected over the month of August to ensure a snow-free landscape and collected over multiple attempts to reduce the potential for cloud cover. It is acknowledged that this imagery is a snapshot in time of the project footprint, however the collection of this imagery on an annual basis allows for a consistent comparison between years.

In this 2022 Reconciliation, Baffinland presents the outcomes of the Disturbed Areas Analysis completed following the receipt of imagery collected in July-September 2021. Imagery was analyzed by Baffinland staff and the Geographic Information Systems (GIS) coordinator to determine the extent of disturbed areas and accurately delineate these areas. In addition, lined areas were delineated separately (e.g. ponds, hazardous waste berms), where the "Grade and Contour with Liner" unit rate would apply.

Additionally, Baffinland included infrastructure that was previously planned for construction but has yet to be completed, such that the estimate of disturbed area is representative of the highest potential liability for the work proposed in the previous and current Work Plan. Therefore, the Proposed Disturbed Areas are representative of work yet to be completed from the 2014 Work Plan through to the current 2022 Work Plan.

The results of the disturbed area analysis are presented in Appendix B, and Table 2-1. Results are presented based on: the landowner, actual and proposed disturbance, and lined and proposed lined areas.

Table 2-1: Disturbed Areas Analysis by Landowner

Project Site	IOL				Crown Land	
	Disturbed Area (m ²)	Proposed Disturbed Area (m ²)	Lined Area (m ²)	Proposed Lined Area (m ²)	Disturbed Area (m ²)	Proposed Disturbed Area (m ²)
Milne Port	1,526,060	376,722	51,077	0	43,903	0
Tote Road	1,434,661	0	0	0	100,697	332,245
Mine Site	2,620,626	854,035	98,634	32,683	0	0
Total	5,581,347	1,230,757	149,711	32,683	144,600	332,245

Based on the above analysis, the combined actual and proposed results were compared with the values in the Estimate Breakdown Structure (EBS) for years 2014 through to new works proposed in the 2022 Work Plan. In order to best track and reconcile the difference between the 2021 Disturbance Analysis and the EBS items, the EBS items were summed and subtracted from the estimate, while the new values from the 2021 Disturbance Analysis were added. This is presented in Table 2-2. The result is an increase in the value for grade and contour, and grade and contour with a liner totaling **\$1,174,393**.

Table 2-2: Disturbed Areas Analysis by Unit Rate Type

Description	Unit Rate Type	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
IOL – Grade and Contour				
Actual Disturbed Area Reconciliation - 2020 Satellite Image - IOL	Grade and Contour	1.49	5,581,347	8,343,603
Proposed Disturbed Area Reconciliation - 2021 Work Plan and Prior - IOL	Grade and Contour	1.49	1,230,757	1,839,869
Reconciled EBS Input 2014-2021 - IOL	Grade and Contour	1.49	-6,051,446	-9,046,358
IOL – Grade and Contour with Liner				
Actual Lined Disturbed Area - 2020 Satellite Image - IOL	Grade and Contour with Liner	4.12	149,711	620,142
Proposed Lined Disturbed Area - 2021 Work Plan and Prior - IOL	Grade and Contour with Liner	4.12	32,683	135,381
Reconciled EBS Input 2014-2021 - Lined - IOL	Grade and Contour with Liner	4.12	-173,862	-720,181
Crown Land – Grade and Contour				
Actual Disturbed Area Reconciliation - 2020 Satellite Image – Crown Land	Grade and Contour	1.49	144,600	216,164
Proposed Disturbed Area Reconciliation - 2021 Work Plan and Prior – Crown Land	Grade and Contour	1.49	332,245	496,676

Description	Unit Rate Type	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
Reconciled EBS Input 2014-2021 – Crown Land	Grade and Contour	1.49	-475,549	-710,902
TOTAL			770,486	1,174,393

NOTES

1) Grand total rounded to nearest '000

2.2 MECHANICAL AND MOBILE EQUIPMENT

The position presented by Baffinland during the 2021 ASR was based on the forecasted equipment expected to be delivered to site in 2021. The actual type and quantity of equipment delivered to site in 2021 varied from the forecasted estimate and therefore during the 2021 Reconciliation process Baffinland adjusted the EBS, as itemized in Table 2-3 below, to ensure the 2022 Estimate reflects the most up to date information. Items with a negative value were the result of less equipment arriving than what was forecast in 2021, and a positive value represent additional equipment to what was represented in the 2021 Work Plan.

Table 2-3: Baffinland Owned Mechanical and Mobile Equipment Reconciliation

Description	Unit Rate Type	Unit Rate (\$/pcs)	Quantity (pcs)	Cost (\$)¹
374 CAT Excavator	Heavy Mobile Equipment	2,075.0	-1	-2,075
Pressure Washing Truck	Medium Mobile Equipment	1,162.5	1	1,163
F-350 Pickup	Light Mobile Equipment	729.2	4	2,917
D10 Dozer	Heavy Mobile Equipment	2,075.0	2	4,150
F250 Light Vehicle	Light Mobile Equipment	729.2	-1	-729
Case TV-380 Skidsteer	Light Mobile Equipment	729.2	1	729
Frost Fighter Heater	Light Mobile Equipment	729.2	9	6,563
Zinex A5 Diamond Drills	Light Equipment	1,583.8	5	7,919
Bean model 435 Water Pumps	Light Equipment	1,583.8	10	15,838
Genie Skylift Z-135	Light Mobile Equipment	729.2	1	729
Genie S85	Light Mobile Equipment	729.2	1	729
Genie S125	Light Mobile Equipment	729.2	1	729
Yukon 14ft Boat	Light Mobile Equipment	729.2	1	729
Boat Trailer	Light Mobile Equipment	729.2	1	729
Trailer	Light Mobile Equipment	729.2	1	729
TOTAL			36	41,000

NOTES

1) Grand total rounded to nearest '000

3 2021 WORK PLAN ADDENDUM

In July 2021 Baffinland presented the 2021 Work Plan Addendum for the Mary River Project as required under Section 6.1 of Commercial Lease No. Q13C301 (the Lease) agreed between Baffinland Iron Mines Corporation (Baffinland) and the Qikiqtani Inuit Association (QIA). Additionally, reclamation security associated with 2021 Work Plan Addendum is a requirement under Amendment No. 1 of the Type 'A' Water Licence 2AM-MRY1325, however, it is noted that this Addendum only pertains to works and equipment on Inuit Owned Land, and security held by the QIA under the Commercial Lease. In the event the Project does not advance, the work items as described and constructed in the 2021 Work Plan Addendum will be subject to reclamation, as per the Mary River Project Interim Closure and Reclamation Plan (BAF-PH1-830-P16-0012, refer to Appendix C) and relevant regulatory and permit obligations.

The purpose of the 2021 Work Plan Addendum was to update and revise plans for the 2021 year, including backhaul of equipment by sealift. Several works identified in the 2021 Work Plan and prior years have been deferred indefinitely or removed from the current scope of the Project. An overview of these works are as follows:

1. Deferment of the mobilization of the shiploader 'Module'.
2. Deferment of the development of quarries and laydowns within the Tote Road corridor.
3. Revisions to equipment and materials to arrive on the 2021 sealift; and
4. Backhaul of contractor equipment and materials during the 2021 sealift.

Refer to document 2021 WORK PLAN ADDENDUM, Rev. 0, Appendix F of the 2022 Work Plan for a detailed description of the 2021 Work Plan Addendum for the Mary River Project.

There are no proposed updates to the Interim Closure and Reclamation Plan (ICRP) associated with this Work Plan Addendum.

The revision of securities for the 2021 Work Plan Addendum is divided into two (2) tranches.

- Tranche 1 – Works that have not yet been completed and are deferred and/or cancelled, as well as equipment that has not been mobilized to Site and is deferred and/or cancelled; and
- Tranche 2 – 3rd Party Equipment that was demobilized from Site on the 2021 sealift.

The revision of securities for the 2021 Work Plan Addendum for Tranche 1 and Tranche 2 are allocated as summarized in Table 3-1 and Table 3-2, respectively.

Table 3-1: 2021 Work Plan Addendum¹ – Marginal Reduction in Reclamation Security for Tranche 1

Component	Marginal Estimate	Inuit Owned Land Allocation	Crown Land Allocation	Water Allocation	Land Allocation
DIRECT COST SUB-TOTAL	-\$4,100,778	-\$4,100,778	-	-	-\$4,100,778
Off-Site Disposal of Waste & Material	-	-	-	-	-
Fuel	-\$320,000	-\$320,000	-	-	-\$320,000
Ammonium Nitrate	-	-	-	-	-
Contaminated Soil Treatment	-	-	-	-	-
Mobilization of Workers Required for Reclamation	-\$286,000	-\$286,000	-	-	-\$286,000
Worker Accommodation & Camp Operation	-\$784,000	-\$784,000	-	-	-\$784,000
Demobilization of Phase 2 Modules	-\$8,385,828	-\$8,385,828	-	-	-\$8,385,828
Demobilization of 3rd Party Equipment	-	-	-	-	-
Mobilization and Demobilization of Equipment and Materials	-\$410,000	-\$410,000	-	-	-\$410,000
Closure & Post Closure Monitoring	-	-	-	-	-
Engineering Fees	-\$160,000	-\$160,000	-	-	-\$160,000
Supervision, Project Management & Contract Administration	-\$385,000	-\$385,000	-	-	-\$385,000
Contingency	-\$820,000	-\$820,000	-	-	-\$820,000
INDIRECT SUB-TOTAL	-\$11,550,828.00	-\$11,550,828.00	-	-	-\$11,550,828.00
TOTAL	-\$15,652,000.00	-\$15,652,000.00	-	-	-\$15,652,000.00
INFLATION	-\$447,200.00	-\$447,200.00	-	-	-\$447,200.00
INFLATION ADJUSTED TOTAL	-\$16,099,200.00	-\$16,099,200.00	-	-	-\$16,099,200.00

Notes:

¹ Totals rounded to nearest '000 in CAD.

Table 3-2: 2021 Work Plan Addendum¹ – Preliminary Summary of Marginal Reduction in Reclamation Security for Tranche 2

Component	Marginal Estimate	Inuit Owned Land Allocation	Crown Land Allocation	Water Allocation	Land Allocation
DIRECT COST SUB-TOTAL	-	-	-	-	-
Off-Site Disposal of Waste & Material	-	-	-	-	-
Fuel	-	-	-	-	-
Ammonium Nitrate	-	-	-	-	-
Contaminated Soil Treatment	-	-	-	-	-
Mobilization of Workers Required for Reclamation	-	-	-	-	-
Worker Accommodation & Camp Operation	-	-	-	-	-
Demobilization of Phase 2 Modules	-	-	-	-	-
Demobilization of 3rd Party Equipment	-\$1,454,752	-\$1,454,752	-	-	-\$1,454,752
Mobilization and Demobilization of Equipment and Materials	-	-	-	-	-
Closure & Post Closure Monitoring	-	-	-	-	-
Engineering Fees	-	-	-	-	-
Supervision, Project Management & Contract Administration	-	-	-	-	-
Contingency	-	-	-	-	-
INDIRECT SUB-TOTAL	-\$1,455,000.00	-\$1,455,000.00	-	-	-\$1,455,000.00
TOTAL	-\$1,455,000.00	-\$1,455,000.00	-	-	-\$1,455,000.00
INFLATION	-\$41,571.43	-\$41,571.43	-	-	-\$41,571.43
INFLATION ADJUSTED TOTAL	-\$1,496,571.43	-\$1,496,571.43	-	-	-\$1,496,571.43

Notes:

¹ Totals rounded to nearest '000 in CAD.

4 2022 WORK PLAN

4.1 INTRODUCTION

The purpose of this section of the document is to provide a summary of the additional financial security estimated to be required for work items described in the Mary River Project 2022 Work Plan (1 November 2021). The estimated marginal closure and reclamation financial security required to account for 2022 planned work ('2022 Work Plan Security Estimate') is intended to be aggregated with the changes to the 2021 Work Plan reconciled in the above Section 2. The combination of the reconciliation in Section 2, and the estimate presented in this Section will provide a comprehensive update to the 'global' estimate and the marginal increase required for 2022. The result of this approach, the estimated project-wide or 'global' closure and reclamation security bonding totals for the Mary River Project to-date, are presented in Section 5.

A detailed description of the work activities captured in the 2022 Work Plan Security Estimate are described in the Baffinland 2022 Work Plan and are summarized in Section 4.2 below.

4.1.1 Closure Scenario

The 2022 Work Plan Security Estimate is based on a scenario that assumes all planned activities for 2022 Work Plan have taken place on site and all material/consumables (excluding fuel) that are mobilized to site in 2022 are in full inventory. All other assumptions relating to the estimation of direct and indirect costs, including fuel, associated with the 2022 Work Plan Security Estimate are consistent with the assumptions established in the 2014 Complete Project Financial Security Assessment and previous ASR documentation unless noted otherwise.

4.2 2022 PLANNED ACTIVITIES

As described in the 2022 Work Plan, planned work in 2022 is being conducted under the amended Project Certificate No. 005 Amendment No. 3, QIA Commercial Lease No. Q13C301, Type 'A' Water Licence 2AM-MRY1325, Amendment No. 1 and Type 'B' Water Licence 8BC-MRY1416.

The following list represents the activities from the 2022 Work Plan planned for implementation in 2022 but will only proceed following the applicable regulatory approvals where required, and approval from QIA including the posting of any relevant marginal security adjustments or adjustments to the Commercial Lease (e.g. OEN, TRAN). This planned work includes:

1. Development and operation of the mine, ore crushing and land transportation, stockpiling, and marine shipment of ore.
2. The continued development and construction of infrastructure required at Milne Port and the Mary River Mine Site (Mine Site) and along the Tote Road for the Mary River Project.
3. Continued operation of Mine Site and Milne Port Camps to support ongoing operations and construction activities which will include the use of water and deposition of waste as authorized under existing permits.

4. On-going operation and expansion of permitted quarry and borrow sources.
5. At Milne Port, vessels carrying fuel, equipment, and supplies for use at the Mine Site and Milne Port will arrive during open water. Material, fuel, and supplies required for operational and construction activities will be transported to the Mine Site year-round via the Tote Road.
6. Ongoing environmental effects studies and baseline data collection will continue to support the construction and operation of the Project as well as for future engineering requirements.
7. Continued environmental monitoring in accordance with the approved Project Certificate, licenses, authorizations, management plans and environmental effects monitoring plans.
8. On-going exploration activities including drilling, mapping, prospecting, sampling, and geophysics. Planning of the details of the summer drilling and/or trenching program is not yet finalized.
9. Tote Road improvements to address safety concerns, freshet runoff issues and poor road conditions during the spring and summer periods.
10. Continued construction of additional fuel storage at the project.
11. Site grading and laydown construction for supplies and equipment to support future construction activities and remove ponding and permafrost degradation issues around current infrastructure.
12. Erection of additional maintenance facilities to safely service equipment.

A detailed description of these work activities is provided in the Baffinland 2022 Work Plan.

4.3 2022 WORK PLAN SECURITY ESTIMATE ASSUMPTIONS

4.3.1 Direct Cost Assumptions

The following sub-sections describe the assumptions used to establish the direct costs allocated in the 2022 Work Plan Estimate based on the 2022 Work Plan. Please refer to Appendix A for details of this cost allocation based on the Estimate Breakdown Structure (EBS), and Appendix D for supporting documentation relating to estimated unit quantities (where available). Direct cost allocations were applied to quantities as indicated in the 2022 Work Plan and consistent with the direct cost assumptions described in the 2014 Complete Project Financial Security Assessment.

4.3.1.1 Buildings and Foundations

The 2022 Work Plan Security Estimate allocates \$117,000 plus proportional cover material application costs, in direct costs to account for a marginal increase of buildings and foundations associated with the 2022 Work Plan. This marginal increase of buildings and foundations is itemized in the EBS as presented in Appendix A. This additional cost allocation is based on:

- Enhancement of training grounds for the Emergency Response Team with fire retardant infrastructure and secondary spill containment.
- Addition of offices/ trailers at the Environment Department work areas.

- Construction of a new COVID-19 PCR testing lab building at the Mine Site.
- Washcar (bathroom).
- New building and expansion of Mary River HD Maintenance Shop.
- Bit shack (container building).
- Replacement of inflatable building with rigid building.
- Lube / Def Container.

A summary of security costs associated with the marginal increase of buildings and foundations associated with the 2022 Work Plan is shown in Table 4-1.

Table 4-1: Summary of Marginal Increase of Buildings and Foundation Areas

Description	Unit Rate Type	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
Milne Port				
Enhancement of training grounds for the Emergency Response Team with fire retardant infrastructure and secondary spill containment	ISO Shipping Containers	23.8	59	1,416
Addition of offices/ trailers at the Environment Department work areas	ISO Shipping Containers	23.8	56	1,328
Mine Site				
Enhancement of training grounds for the Emergency Response Team with fire retardant infrastructure and secondary spill containment	ISO Shipping Containers	23.8	59	1,416
Construction of a new COVID-19 PCR testing lab building at the Mine Site	ISO Shipping Containers	23.8	54	1,275
Washcar (bathroom)	Single Trailers (modular)	114.9	36	4,136
Bit shack (container building)	ISO Shipping Containers	23.8	30	708
Addition of offices/ trailers at the Environment Department work areas	ISO Shipping Containers	23.8	56	1,328
New building and expansion of Mary River HD Maintenance Shop	Fold Away Building	114.0	878	100,131
Replacement of inflatable building with rigid building	ISO Shipping Containers	23.8	208	4,957
Lube/Def Container	ISO Shipping Container	23.8	30	708
TOTAL			1,465	117,000

NOTES

¹) Grand total rounded to nearest '000

4.3.1.2 Mechanical and Mobile Equipment

The 2022 Work Plan Security Estimate allocates \$77,000, plus cover material application costs, in direct costs to account for a marginal increase of mechanical and mobile equipment as itemized in the 2022 Work Plan. This cost allocation is based on an additional 62 pieces of Baffinland owned mechanical or mobile equipment to be mobilized to site in 2022.

A summary of the marginal increase of costs associated with mechanical or mobile equipment and associated unit rates is shown in Table 4-2.

Table 4-2: Summary of Marginal Increase of Mechanical and Mobile Equipment

Description	Unit Rate Type	Unit Rate (\$/pcs)	Quantity (pcs)	Cost (\$)¹
Communication tower KM 108	Light Equipment	1,583.8	1	1,584
Jet A truck	Heavy Mobile Equipment	2,075.0	1	2,075
Fuel Tanker	Heavy Mobile Equipment	2,075.0	1	2,075
Cube Truck	Medium Mobile Equipment	1,162.5	2	2,325
Bus	Medium Mobile Equipment	1,163	2	2,325
18M Graders	Heavy Mobile Equipment	2,075.0	3	6,225
Light Vehicles (F-250 or similar)	Light Mobile Equipment	729.2	9	6,563
Dewatering Pumps	Light Equipment	1,583.8	3	4,751
Production Drill	Heavy Mobile Equipment	2,075.0	1	2,075
992 Loader	Heavy Mobile Equipment	2,075.0	1	2,075
374 Excavator	Heavy Mobile Equipment	2,075.0	2	4,150
D10 Dozer	Heavy Mobile Equipment	2,075.0	1	2,075
Steam Truck	Medium Mobile Equipment	1,162.5	1	1,163
Lowboy Float	Medium Mobile Equipment	1,162.5	1	1,163
Hydraulic Ripper	Light Mobile Equipment	729.2	1	729
Ford 15 Passenger Vans (or similar)	Light Mobile Equipment	729.2	2	1,458
All-Terrain Vehicle (Prinoth or similar)	Light Mobile Equipment	729.2	1	729
Skid steer (for drilling support)	Light Mobile Equipment	729.2	1	729
Large Water Pump	Light Equipment	1,583.8	2	3,168
Commissioning of small mobile gensets ranging in size from 20kW - 60kW	Light Mobile Equipment	729.2	10	7,292
Type 1 E-House	Medium Equipment	3,392.5	1	3,393
Type 3 E-House	Medium Equipment	3,392.5	1	3,393
Hydraulic Hammer	Light Mobile Equipment	729.2	1	729
777 Fuel & Lube body	Heavy Mobile Equipment	2,075.0	1	2,075
Snowmobile	Light Mobile Equipment	729.2	2	1,458
F250 Light Vehicle	Light Mobile Equipment	729.2	1	729

Description	Unit Rate Type	Unit Rate (\$/pcs)	Quantity (pcs)	Cost (\$)¹
Snowmobile	Light Mobile Equipment	729.2	2	1,458
Side by Side	Light Mobile Equipment	729.2	1	729
Service Truck	Medium Mobile Equipment	1,162.5	4	4,650
Vac Truck	Heavy Mobile Equipment	2,075.0	2	4,150
TOTAL			62	\$77,000

NOTE:

1) Grand total rounded to nearest '000

As part of the 2022 Reconciliation, Baffinland presents the outcomes of the Baffinland Equipment Inventory Audit completed as part of the preliminary path forward on items with high uncertainty for the Mary River Financial Security Estimate. Using an SAP Equipment List, supplemented by a two-week onsite validation, a total of 1,778 pieces of equipment, as described in Table 4-3, were found at Baffinland's Mary River Project sites. The audit confirmed 1,215 pieces of equipment in the field. Refer to Appendix C for a detailed breakdown of the Baffinland Equipment Inventory Audit.

Table 4-3: Baffinland Owned Equipment Inventory Audit Results

Description	SAP	Found¹	Total
Extracted	4,132	0	4,132
Confirmed	1,127	88	1,215
Counted	1,690	88	1,778
Light Equipment	233	14	247
Medium Equipment	495	70	565
Heavy Equipment	103	4	107
Light Mobile Equipment	293	0	293
Medium Mobile Equipment	329	0	329
Heavy Mobile Equipment	237	0	237
Note: 1. Found equipment was allocated as part of BIM owned equipment in the EBS			

Thirty-four (34) pieces of equipment included in the Baffinland Equipment Inventory Audit Results were not included in the EBS as part of the 2022 Reconciliation, since the equipment was identified as being part of bonded Vendor Packages (namely Ship Loader and Incinerator). See Table 4-4 for a list of equipment not included in the EBS.

Table 4-4: Baffinland Owned Equipment Removed from the Inventory Audit Results

Functional Location	Extracted	Confirmed	Counted	Equipment			Mobile Equipment		
				Light	Medium	Heavy	Light	Medium	Heavy
ML-FAC-INC-010: INCINERATOR	1	1	1	0	1	0	0	0	0
ML-PRO-SHL-010-RFL01: MASABA RECLAIM FEEDING LINE 2 (2/2)	28	0	1	0	0	1	0	0	0
ML-PRO-SHL-010-RFL03: MASABA RECLAIM FEEDING LINE 3 (2/2)	26	0	1	0	0	1	0	0	0
ML-PRO-SHL-010-RFL04: MASABA RECLAIM FEEDING LINE 4 (2/2)	26	0	1	0	0	1	0	0	0
ML-PRO-SHL-010-RFL05: SHUOT RECLAIM FEEDING LINE 5	34	0	1	0	0	1	0	0	0
ML-PRO-SHL-010-RFL06: SHUOT RECLAIM FEEDING LINE 6	33	0	1	0	0	1	0	0	0
ML-PRO-SHL-020: RECLAIM BELT CONVEYOR	1	0	1	0	0	1	0	0	0
ML-PRO-SHL-030-STD01: RECLAIM SAMPLE TOWER DOSING CONVEYOR	10	0	1	0	0	1	0	0	0
ML-PRO-SHL-040-ICE01: INTERMEDIATE CONVEYOR DEDUSTING SYSTEM	4	0	1	0	0	1	0	0	0
ML-PRO-SHL-050-SBC01: BOOM CONVEYOR	20	0	1	0	0	1	0	0	0
ML-PRO-SHL-060-SBC01: BOOM CONVEYOR	15	0	1	0	0	1	0	0	0
ML-PRO-SHL-070: AUXILIARY EQUIPMENT SUPPLIES	15	6	12	0	12	0	0	0	0
ML-PRO-SHL-070-MOS: BOAT	2	1	2	0	0	0	2	0	0
MR-SIU-SEM-040: SALLIVAK LIFT STATION	9	0	9	9	0	0	0	0	0
Total	224	8	34	9	13	10	2	0	0

Based on the results of the Baffinland Equipment Inventory Audit Results, the combined actual and proposed results were compared with the values in the Estimate Breakdown Structure (EBS) for years 2014 through to new works proposed in the 2022 Work Plan. In order to best track and reconcile the difference between the Baffinland Equipment Inventory Audit Results and the EBS items, the EBS items were summed and subtracted from the estimate, while the new values from the Baffinland Equipment Inventory Audit Results were added. This is presented in Table 4-5 The result is an increase of 297 pieces of BIM owned equipment, totalling an increase of \$1,496,548.

Table 4-5: Baffinland Owned Equipment Inventory Audit Reconciliation

Description	Equipment Audit ¹	EBS items	Difference	Cost (\$) ²
Extracted	3,908			
Confirmed	1,207			
Counted	1,744			
Light Equipment	238	216	22	34,843
Medium Equipment	552	185	367	1,245,048
Heavy Equipment	97	85	12	395,400
Light Mobile Equipment	291	308	-17	-12,396
Medium Mobile Equipment	329	344	-15	-17,438
Heavy Mobile Equipment	237	308	-71	-147,325
TOTAL	1,744	1,447	298	1,496,548

NOTES:

1. The numbers in the 2021 Equipment Audit Results exclude the 34 pieces of equipment removed from the Inventory Audit Results (refer to Table 4-4).
2. The cost associated with BIM Owned equipment accounts only for the direct cost associated with the disassemble, load and transport of the of Baffinland owned mechanical or mobile equipment.

4.3.1.3 Site Works

The 2022 Work Plan Security Estimate allocates \$780,000, in direct costs to account for a marginal increase of disturbed areas that would have to be graded and re-contoured associated with the 2022 Work Plan. This additional cost allocation is based on:

- Construction of Landfarm Cell 4 and expansion of Cell 3.
- Construction of Stockpile Pond east of KM 106.
- Expansion to KM 105 Equipment Laydown east and west.
- Mobile equipment laydown and tire facility.
- Construction of a West perimeter road to bypass pit, 510 Hillside Road, 470 Hillside Road and Bypass road from cross-cut road towards waste dump.
- Expansion to the sedimentation pond at KM 105 to manage surface water runoff.
- Construction of new Sedimentation Pond SDLT-1.
- Expansion to the Water Treatment Plant Pad.
- Construction of Hazardous Waste Berm east of Waste Management Building at Mine Site; and
- Construction of new Sedimentation Pond Camp Lake.

This marginal increase is based on an additional 441,245 m² of disturbed areas at a unit rate of \$1.49/m² for unlined or \$4.12/m² for lined and is itemized in the EBS as presented in Appendix A and outlined in Table 4-6.

Table 4-6: Summary of Marginal Increase of Disturbed Areas Requiring Grade and Re-Contour

Description	Unit Rate Type	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
Mine Site				
Ore Stockpiling area at KM 105.5	Grade and Re-Contour	1.5	114,847	171,686
Expansion to KM 105 Equipment Laydown east	Grade and Re-Contour	1.5	27,509	41,083
Expansion to KM 105 Equipment Laydown west	Grade and Re-Contour	1.5	36,332	54,259
Mobile equipment laydown and tire facility	Grade and Re-Contour	1.5	14,108	21,069
Construction of a West perimeter road to bypass pit	Grade and Re-Contour	1.5	74,577	111,375
510 Hillside Road	Grade and Re-Contour	1.5	11,423	17,059
470 Hillside Road	Grade and Re-Contour	1.5	2,429	3,628
Bypass road from cross-cut road towards waste dump	Grade and Re-Contour	1.5	24,534	36,640
Expansion to the sedimentation pond at KM 105 to manage surface water runoff	Grade and Re-Contour	1.5	19,238	28,759
Expansion to the sedimentation pond at KM 105 to manage surface water runoff	Grade and Re-Contour with Liner	4.1	6,687	27,699
Construction of new Sedimentation Pond SDLT-1	Grade and Re-Contour	1.5	58,324	87,189
Construction of new Sedimentation Pond SDLT-1	Grade and Re-Contour with Liner	4.1	20,678	85,654
Construction of new Sedimentation Pond Camp Lake	Grade and Re-Contour with Liner	4.1	10,000	41,423
Expansion of Landfarm Cell 3	Grade and Re-Contour with Liner	4.1	1,288	5,335
Construction of Landfarm Cell 4	Grade and Re-Contour with Liner	4.1	4,611	19,100
Expansion to the Water Treatment Plant Pad	Grade and Re-Contour	1.5	10,500	15,697
Hazardous Waste Berm - New 2019³	Grade and Re-Contour with Liner	4.1	-360	-1,482

³ The 2019 Work Plan Security Estimate allocated \$1,482 in direct costs associated with the construction of a new hazardous waste berm at the Mine site, which included a 360 m² of lined area. According to the design, the new berm will have 2,700 m² of lined area and 1,820 m² of unlined area. In order to reconcile the EBS, 360 m² were removed from the EBS, and the new areas (2,700 m² of lined area and 1,820 m² of unlined area) were included

Description	Unit Rate Type	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
Mine Site Hazardous Waste Berm	Grade and Re-Contour	1.5	1,820	2,718
Mine Site Hazardous Waste Berm	Grade and Re-Contour with Liner	4.1	2,700	11,116
TOTAL			441,245	780,007

NOTES

1) Grand total rounded to nearest '000

4.3.1.4 Storage Tanks

The 2022 Work Plan Security Estimate allocates \$17,000 in direct costs to account for the mobilization of additional water and fuel tanks to the Project Site in the 2022 Work Plan, including the construction of one 250,000 L Fuel tank and one 15,000 L Fuel tank at the Mine Site.

A summary of the marginal increase of costs associated with storage tanks and associated unit rates is shown in Table 4-7.

Table 4-7: Summary of Marginal Increase of Storage Tanks

Description	Unit Rate Type	Unit Rate (\$/pcs)	Quantity (pcs)	Cost (\$)¹
250,000-liter Fuel tank	Medium Mobile Diesel Tanks	8,381.3	1	8,381
15,000-liter Fuel tank	Medium Mobile Diesel Tanks	8,381.3	1	8,381
TOTAL			2	17,000

NOTES

1) Grand total rounded to nearest '000

4.3.1.5 Cabling

The 2022 Work Plan Security Estimate allocates \$45,000 to account for the installation of 2,100 m of cabling at the Mine Site and Milne Port areas for the installation of additional electrical cables for:

- Power Distribution cabling from the new KM 110 building to the Mine water treatment facility (500 m).
- Power Distribution cabling and distribution equipment for a new service from the Port Powerhouse area to CV-001 on the shiploader (800 m).
- Power Distribution cabling (from the Powerhouse to Dyno Nobel explosives facility) (500 m); and
- Power Distribution cabling (from E-House 3 to KM 104 laydown) (300 m).

This cost allocation is based the unit rate of \$21.3/m, and a total length of 2,100 m of cable, and is itemized in the EBS presented in Appendix A.

4.3.1.6 Deposit 1 Drainage Channel

The 2022 Work Plan Security Estimate allocates \$7,600 in direct costs to account for the construction of a 300m long drainage channel to account for the free drainage of the Deposit 1 area prior to a pit being developed at Deposit 1. This channel would only be constructed in a long-term closure scenario occurring prior to a pit being developed at Deposit 1.

This marginal increase is based on a drainage channel 300 m long, 2 m wide and 1 m deep (600 m³ of material), at a unit rate of \$12.7/m³. The unit rate accounts for costs to Drill & Blast, Excavate, Load and Haul 2km.

A summary of the marginal increase to the estimate for the Deposit 1 Drainage channel is shown in Table 4-8.

Table 4-8: Marginal Increase for Deposit 1 Drainage Channel

Description	Unit Rate (\$/m ³)	Quantity (m ³)	Cost (\$)¹
Deposit 1 Drainage Channel	12.66	600	7,594
TOTAL		600	7,600

NOTE:

1) Grand total rounded to nearest '000

4.3.1.7 Fill Application

The 2022 Estimate removes \$11,895 to account for application of cover material due to the marginal decrease of demolition materials to be disposed of on-site due to the update to the EBS with the Baffinland Equipment Inventory Audit.

This cost allocation is based on a decrease of -306 m² of compacted material requiring fill application at an assumed disposal depth of six (6) meters. A summary of the marginal decrease in fill application in the 2022 Security is shown in Table 4-9.

The following section describes the assumptions used to establish the indirect costs allocated for the purpose of the 2022 Work Plan Security Estimate. Unless noted otherwise, see the 2014 Complete Project Financial Security Assessment (H349000-1000-07-126-0018, Rev. 1) for further supporting information on the specific indirect unit rates and multipliers used below.

Table 4-9: Marginal Increase of Fill Application

Description	Unit Rate (\$/m ²)	Quantity (m ²)	Cost (\$)¹
Fill Application - 2022	38.8	527	20,473
Fill Application - 2022-R	38.8	-834	-32,368
TOTAL		-306	-11,895

NOTES

1) Grand total rounded to nearest '000

4.3.2 Indirect Cost Assumptions

4.3.2.1 On-Site Fuel Demobilization and Reclamation Fuel Mobilization

The 2022 Estimate allocates an additional \$222,680 to account for the demobilization of fuel stored on Site, and the mobilization of fuel required for the marginal increase in reclamation activities captured in the 2022 Estimate. It is assumed 50% of this fuel would need to be demobilized at closure. This is based both on the assumption that the tanks would be likely to be entirely full at closure, and that some fuel on Site would be available for reclamation activities. The fuel demobilization rate is assumed to be \$0.10/L. There are no increases to the fuel storage at the Site in 2022.

The additional \$222,680 allocation for fuel mobilization is based on the cost of mobilizing 100% of the fuel required (556,699 L) for marginal reclamation and closure activities, including direct activities, power generation, and heat production. The marginal increase in reclamation activities in 2022 are estimated to require an additional 258,914 L of Type-1 fuel (see Appendix A). Marginal increases in camp operation during reclamation is estimated to require an additional 2,578 person-days on-site. Each person-day on site is assumed to consume 116 L of Type-1 fuel for heat and power generation. This totals 297,785 L of Type-1 fuel required to heat and power the camp. Fuel mobilization rate is assumed to be \$0.40/L.

See Appendix A for itemized person-day and fuel consumption quantities per item in the 2022 Estimate.

4.3.2.2 Contaminated Soil

The 2022 Estimate includes an allowance of \$257,659 for management of metal-contaminated soil that may be present at the Ore storage and crusher areas. This is in response to a CIRNAC query related to closure costs for management of potential metal-contaminated soil in these areas. Baffinland has identified the potential for metal-contaminated soil beneath ore storage and crusher areas as an item of uncertainty in the Interim Closure and Reclamation Plan for the Mary River Project.

The total footprint associated with metal contaminated soil areas is 517,009 m² (Table 4-10). Assuming an average depth of contamination of 200 mm, the total volume of metal-contaminated soil 103,402 m³ (Table 4-10). Baffinland is proposing that at closure, the total volume of metal-contaminated soil should be regraded within the individual ore storage areas to create a 1 m high landform with a smaller overall footprint. This landform would then be covered with a 500 mm clean material cap.

Table 4-10. Total Footprint and Volume of Metal-Contaminated Soil

Area	Footprint (m ²)	Volume of Contaminated Soil (m ³)
Milne Port Ore Stockpile	327,719	65,544
Crusher Pad	104,252	20,850
ROM	85,038	17,008
Total Footprint	517,009	103,402

Table 4-11 presents the consolidated footprint to be covered, cover material sourcing and volume, the unit rate to excavate, load & haul, and the additional reclamation security to be paid.

Table 4-11. Contaminated Soil Calculation

Area	Footprint (m ²)	Source of cover material	Distance to be Hauled (km)	Volume of cover material (m ³)	Unit Rate ¹ (\$/m ³)	Total Security (\$)
Milne Port Ore Stockpile	65,544	Existing laydowns	1	32,772	4.02	\$131,638
Crusher Pad	20,850	Existing laydowns	1	10,425	4.02	\$41,875
ROM	17,008	NAG from the WRF	5	8,504	9.90	\$84,147
Total	103,402			51,701		\$257,659

¹. Unit rates are based on the costs to excavate, load and haul for the distances specified in the table

4.3.2.3 Mobilization of Workers Required for Reclamation

The 2022 Estimate allocates an additional \$212,226 for worker mobilization. Detailed assumptions for mobilization of workers required for marginal closure and reclamation activities are as follows.

Person-hours required to complete direct cost related on-site marginal reclamation activities is estimated to be 25,782 hrs or 2,578 person-days (based on 10hr/day productivity). See Appendix A for itemized person-day allocations per 2022 Estimate item.

- Assume 70% of hires (1,805 person-days) are from southern communities and 30% (773 person-days) are from northern communities.
- Cost per person-day on site for worker mobilization from southern communities is \$85.45/person-day on-site.
- Cost per person-day on site for worker mobilization from northern communities is \$75.00/person-day on-site.

4.3.2.4 Worker Accommodation & Camp Operation

The 2022 Estimate allocates an additional \$581,389 for worker accommodation and camp operation during marginal reclamation activities associated with the 2022 Estimate. Assumptions for worker accommodation and camp operation are:

- Person-hours required to complete direct cost related on-site marginal reclamation activities is estimated to be 25,782 hrs or 2,578 person-days (based on 10hr/day productivity). See Appendix A for itemized person-day allocations.
- Cost for accommodation and camp operation is assumed to be \$225.50/person-day and includes camp maintenance, catering, housekeeping, and fuel costs.

4.3.2.5 Mobilization and Demobilization of Equipment and Materials

The 2022 Estimate allocates an additional \$364,159 to account for mobilization and demobilization of equipment and materials. These are indirect costs for moving equipment and materials to and from the

reclamation site. The amount is based the assumption that mobilization and demobilization cost are estimated as 10% of total direct costs.

4.3.2.6 Demobilization of 3rd Party Equipment

To account for the demobilization of 3rd party equipment, Baffinland presents the outcomes of the Baffinland Equipment Inventory Audit completed as part of the preliminary path forward on items with high uncertainty for the Mary River Financial Security Estimate. Using 3rd Party Vendor reported equipment, supplemented by a two-week onsite validation, a total of 335 pieces of equipment as defined by Table 4-12 were found at Baffinland. The audit confirmed 155 pieces of equipment in the field. Refer to Appendix C for a detailed breakdown of the Baffinland Equipment Inventory Audit.

Table 4-12: Baffinland 3rd Party Equipment Inventory Audit Results

Description	Vendor
Extracted	658
Confirmed	155
Counted	335
Light Equipment	87
Medium Equipment	72
Heavy Equipment	19
Light Mobile Equipment	66
Medium Mobile Equipment	66
Heavy Mobile Equipment	25

Based on the results of the Baffinland Equipment Inventory Audit Results, the combined actual and proposed results were compared with the values in the Estimate Breakdown Structure (EBS) for years 2014 through to new works proposed in the 2022 Work Plan. In order to best track and reconcile the difference between the Baffinland Equipment Inventory Audit Results and the EBS items, the EBS items were summed and subtracted from the estimate, while the new values from the Baffinland Equipment Inventory Audit Results were added. This is presented in Table 4-13. The result is a decrease of 125 pieces of 3rd Party equipment, totalling a decrease of \$2,222,279.

Table 4-13: Baffinland Owned Equipment Inventory Audit Reconciliation

Description	Equipment Audit	EBS items	Difference	Cost (\$)
Extracted	658			
Confirmed	155			
Counted	335			
Light Equipment	87	157	-70	-195,019
Medium Equipment	72	102	-30	-246,080
Heavy Equipment	19	201	-182	-2,905,544
Light Mobile Equipment	66	0	66	183,875
Medium Mobile Equipment	66	0	66	541,376
Heavy Mobile Equipment	25	0	25	399,113
Total	335	460	-125	-2,222,279

4.3.2.7 Care & Maintenance, Closure and Post Closure Monitoring

The 2022 Estimate includes an increase to Care and Maintenance, Closure and Post Closure Monitoring to account for increases in the volume of water to be treated at closure. This increase is representative of the average volume of water requiring treatment at closure. Based on discharges since 2014 as detailed in Table 4-14, the average volume of water discharged from the Waste Rock Facility (MS-08) is 48,222 m³. Accordingly, Baffinland will increase the Closure and Post Closure Monitoring Cost to account for three (3) years of treatment, for a total cost of \$144,667. This results in an increase of \$7,389 over the current allocation for water treatment.

Table 4-14: Discharge Volumes for the Waste Rock Facility (MS-08)

Year	Total Discharged (m ³)
2021	63,000
2020	63,919
2019	117,000
2018	73,600
2017	13,500
2016	4,320
2015	2,217
2014	-
Average	48,222

Baffinland acknowledges that there are other areas of the mine that require water treatment on an as-needed basis, including the Milne Port Tank Farm (MP-03), the Milne Port Landfarm (MP-04), the Milne Port Contaminated Snow Containment (MP-04a) and the Mine Site Hazardous Waste Berm 7 (MS-HWB-07). While many or all of these sources will be eliminated in closure, the total average discharge from all of these facilities combined will be added to the Closure and Post Closure Monitoring estimate as a

conservative measure. The average volume discharged from these facilities combined is 573 m³, as outlined in Table 4-15. The resulting decrease to the estimate for three (3) years of closure is \$82.

Table 4-15: Discharge Volumes for Additional Water Treatment

Year	MP-03	MP-04	MP-04a	MS-HWB-07
	Total Discharged (m ³)			
2021	983	294	159	336
2020	1766.5	17	13	-
2019	1551	-	186	-
2018	1808	755	-	668
2017	1066	580.7	187.2	386.6
2016	-	662.1	-	650
2015	69.6	70	-	204
2014	154	-	-	617.1
Average	573			

4.3.2.8 Supervision, Project Management and Contract Administration

The 2022 Estimate includes a project supervision, management, and contract administration indirect cost allowance of \$367,216 or 9.4% of total direct costs, contaminated soil treatment costs and care and maintenance costs, and closure monitoring/reporting costs. Project supervision, management and contract administration indirect costs include, but are not limited to:

- Contract strategy, administration and expediting.
- Construction logistics, planning, scheduling, supervision, and manpower forecasts.
- Labour relations, safety.
- Field office management, temporary facilities.
- Materials receiving and warehousing.
- Progress monitoring, trending, and reporting.
- Cost performance monitoring, trending, and claims processing; and
- Quality assurance.

4.3.2.9 Engineering Fees

The 2022 Estimate includes an engineering, design and execution planning indirect cost allowance of \$142,022 or 3.9% of the total direct costs.

4.3.2.10 Contingency

The 2022 Estimate includes an additional contingency of \$781,311 or 20% of the total of direct costs, contaminated soil treatment costs, care and maintenance and closure and post closure monitoring costs.

4.3.3 Exclusions

The listed activities below are recognized by Baffinland as being required to be conducted in an unforeseen closure and reclamation scenario, but additional costs have not been included in the 2022 Work Plan Security Estimate on the basis that it is Baffinland's position that the 2022 Work Plan activities do not warrant additional cost allocations for these activities. Excluded activities from the 2022 Work Plan Security Estimate are:

- Explosives (Ammonium Nitrate) – the allocation for explosives is sufficient based on the scope of the 2022 Work Plan.
- Off-Site Disposal of Hazardous and Non-Hazardous Waste – the allocation for off-Site disposal is sufficient based on the scope of the 2022 Work Plan.

4.3.4 Inflation

As a result of the Arbitration, Baffinland was directed to apply inflation in years when unit rate costs have not been updated. In order to calculate the rate of inflation to be applied in a given year, Baffinland utilizes the Consumer Price Index (CPI) for Iqaluit (not seasonally adjusted) for the month of September in a given year. September was selected to maintain consistency in the approach to the inflation calculation between years, as it is the month that will be last published prior to the Work Plan issuance and ASR kickoff on November 1st of a given year. The Inflation multiplier is calculated as follows;

$$\text{Inflation Adjustment multiplier} = \frac{(\text{Inflation reading for current year}) - (\text{Base year for inflation adjustment})}{(\text{Base year for inflation adjustment})}$$

Inflation is calculated relative to the last year in which in a unit rate update was completed. For the 2022 Estimate, the base year for inflation adjustment is 2018 (the year in which unit rates were last updated), and the current year is 2021 (the year in which the 2022 Estimate was prepared).

Table 4-16: Inflation Calculation – 2021 Estimate

Inflation Multiplier Parameters	CPI Reading (September)
Base year from which Statistics Canada measures inflation (2002)	100
Base year for which the inflation adjustment is taken (2018 Unit Rate Update)	129.5
Current year of mining operations (2020)	133.7
Inflation Adjustment multiplier	1.032

As a result, the total inflation adjustment represents an increase of \$ 141,252 based on a total cost of \$4,355,281 for the 2022 Estimate. Based on this the total value for the 2022 Estimate is \$4,496,533.

5 2022 ESTIMATE SUMMARY

The 2022 Estimate is inclusive of all closure and reclamation costs estimated to be required for a 3rd Party Contractor to perform the work in a 'worst-case' scenario for all disturbed areas, project components and project activities existing on the Mary River Project site upon conclusion of the 2022 Work Plan, including legacy exploration phase liabilities.

Baffinland has prepared Table 5-1 which is a summary of the estimate for the 2022 Work Plan and 2021 Work Plan Reconciliation ("2022-R" and "2022").

As mentioned in Section 3, Baffinland presented the 2021 Work Plan Addendum for the Mary River Project in June 2021, with a revision to securities for the 2021 Work Plan Addendum divided into two (2) tranches. The total marginal reduction in reclamation security was \$17,595,771, with the following breakdown per tranches:

- Tranche 1 – Marginal reduction in reclamation security of \$16,099,200.
- Tranche 2 – Marginal reduction in reclamation security of \$1,496,571.

Table 5-2 presents the 'global' closure and reclamation security estimated to be required based on the Global Estimate from 2021 Work Plan (Column C) compiled with the adjustment based on the 2021 Work Plan Addendum (Column D and E) and the 2022 Marginal Estimate including 2021 Reconciliation (Column F), compared to the amount already posted (Column G).

Table 5-1: Summary of 2022 Work Plan Marginal Increase with 2021 Reconciliation

Component	Marginal Increase to Global Estimate	Inuit Owned Land Allocation	Crown Land Allocation	Water Allocation	Land Allocation
DIRECT COST SUB-TOTAL	\$3,641,590	\$3,639,652	\$1,937	-	\$3,641,590
Off-Site Disposal of Waste & Material	-	-	-	-	-
Fuel	\$222,680	\$222,680	-	-	\$222,680
Ammonium Nitrate	-	-	-	-	-
Contaminated Soil Treatment	\$257,659	\$257,659	-	-	\$257,659
Mobilization of Workers Required for Reclamation	\$212,226	\$212,091	\$135	-	\$212,226
Worker Accommodation & Camp Operation	\$581,389	\$581,018	\$371	-	\$581,389
Demobilization of Phase 2 Modules	-	-	-	-	-
Demobilization of 3rd Party Equipment	(2,222,279)	-\$2,222,279	-	-	-\$2,222,279
Mobilization and Demobilization of Equipment and Materials	\$364,159	\$363,965	\$194	-	\$364,159
Closure & Post Closure Monitoring	\$7,307	\$7,307	-	-	\$7,307
Engineering Fees	\$142,022	\$141,946	\$76	-	\$142,022
Supervision, Project Management & Contract Administration	\$367,216	\$367,021	\$195	-	\$367,216
Contingency	\$781,311	\$780,924	\$387	-	\$781,311
INDIRECT SUB-TOTAL	\$713,691	\$712,332	\$1,359	-	\$713,691
TOTAL	\$4,355,281	\$4,351,985	\$3,296	-	\$4,355,281
Inflation	\$141,252	\$141,145	\$107	-	\$141,252
INFLATION ADJUSTED TOTAL	\$4,496,533	\$4,493,130	\$3,403	-	\$4,496,533

Table 5-2: Mary River Project 'Global' Closure and Reclamation Security Summary – 2022 Work Plan

	A	B	C	D	E	F	G	H	I
	Authorization	Liability	Global Estimate from 2021 Work Plan (\$)	2021 Work Plan Addendum tranche 1 ⁵ (\$)	2021 Work Plan Addendum tranche 2 ⁵ (\$)	2022 Marginal Estimate Including 2021 Reconciliation (\$)	Total 'Global' Estimated Security for 2022 (\$) C + D + E + F	Total Posted as of Jan. 2022 (\$)	Marginal Adjustment to be Posted ⁶ (\$) F
1		IOL ²	117,651,846	-16,099,200	-1,496,571	4,493,130	104,549,205	120,999,500	-16,450,295
2	Type A 2AM-MRY1325	Crown	2,317,866	-	-	3,403	2,321,269	2,788,000	-466,731
3		Water	2,127,917	-	-	0	2,127,917		
4		Land	117,841,795	-16,099,200	-1,496,571	4,496,533	104,742,557		
5	Subtotal Type A		119,969,712	-16,099,200	-1,496,571	4,496,533	106,870,474	123,787,500	-16,917,026
6	Type B Exploration 2BE-MRY1421 ³	IOL	165,000	-	-	-	165,000	-	165,000
7		Crown	1,082,000	-	-	-	1,082,000	1,250,000	-168,000
8		Water	18,000	-	-	-	18,000		
9		Land	1,229,000	-	-	-	1,229,000		
10	Subtotal Type Exploration		1,247,000	-	-	-	1,247,000	1,250,000	-3,000
11	DFO Security Associated with Ore Dock	IOL ²	-	-	-	-	-	-	-
12		Crown	563,000	-	-	-	563,000	563,000	-
13		Water	563,000	-	-	-	563,000	563,000	-
14		Land	-	-	-	-	-	-	-
15	DFO Security Associated with Freight Dock	IOL ²	-	-	-	-	-	-	-
16		Crown	4,250,000	-	-	-	4,250,000	4,250,000	-
17		Water	4,250,000	-	-	-	4,250,000	4,250,000	-
18		Land	-	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I
	Authorization	Liability	Global Estimate from 2021 Work Plan (\$)	2021 Work Plan Addendum tranche 1 ⁵ (\$)	2021 Work Plan Addendum tranche 2 ⁵ (\$)	2022 Marginal Estimate Including 2021 Reconciliation (\$)	Total 'Global' Estimated Security for 2022 (\$) C + D + E + F	Total Posted as of Jan. 2022 (\$)	Marginal Adjustment to be Posted ⁶ (\$) F
19	Subtotal DFO		4,813,000	-	-	-	4,813,000	4,813,000	-
20	AANDC Land Lease 47H/16-1-2 ⁴	IOL ²	-	-	-	-	-	-	-
21		Crown	4,975,000	-	-	-	4,975,000	4,975,000	-
22		Water	-	-	-	-	-	-	-
23		Land	4,975,000	-	-	-	4,975,000	4,975,000	-
24	Subtotal AANDC Land Lease		4,975,000	-	-	-	4,975,000	4,975,000	-
25	GRAND TOTAL		131,004,712	-16,099,200	-1,496,571	4,496,533	117,561,250	134,825,500	-16,920,026

NOTES:

- 1) Totals in CAD
- 2) Security relating to IOL held by Qikiqtani Inuit Association (QIA) under Commercial Lease No. Q13C301
- 3) As per Mary River Exploration Project Closure and Reclamation Plan (BAF-PH1-830-P16-0038, Rev 1)
- 4) As per Closure and Reclamation Strategy and Financial Security Estimate for Nunavut Lease #47H/16-1-2 (H349001-2000-07-126-0001, Rev.0)
- 5) 2021 Work Plan Addendum see report "2021 Marginal Closure and Reclamation Financial Security Estimate Addendum" rev 0, June 7, 2021
- 6) Marginal Adjustment to be posted due to 2022 Work Plan

6 SUPPORTING DOCUMENTS

In addition to information presented within this document, please refer to the following appendices for supporting information:

- Refer to Appendix A for the 2022 Estimate Breakdown Structure (EBS).
- Refer to Appendix B for the Disturbed Area Analysis.
- Refer to Appendix C for Baffinland Equipment Inventory Audit.
- Refer to Appendix D for Supporting Documentation.

APPENDIX A -
ESTIMATE BREAKDOWN STRUCTURE

Project Information		Financial Data		Operational Data		Performance Indicators		Risk Assessment		Compliance & Audit		Reporting & Review		Approval & Sign-off		Notes & Comments	
Project ID	Project Name	Budget (USD)	Actual Cost (USD)	Revenue (USD)	Profit (USD)	ROI (%)	Net Present Value (USD)	Risk Level	Impact Score	Audit Status	Compliance Score	Report Date	Review Date	Approved By	Reviewed By	Comments	Next Steps
P001	Project Alpha	1000000	950000	1200000	250000	25%	150000	Low	High	Pass	95%	2023-10-26	2023-11-02	John Doe	Jane Smith	Project completed successfully.	Final report submission.
P002	Project Beta	800000	820000	900000	80000	10%	50000	Medium	Medium	Pass	88%	2023-10-27	2023-11-03	John Doe	Jane Smith	Minor budget overrun.	Review budget for next phase.
P003	Project Gamma	1200000	1100000	1300000	200000	17%	100000	Low	High	Pass	92%	2023-10-28	2023-11-04	John Doe	Jane Smith	On schedule and within budget.	Prepare for client presentation.
P004	Project Delta	900000	980000	1000000	100000	11%	70000	Medium	Medium	Pass	90%	2023-10-29	2023-11-05	John Doe	Jane Smith	Minor delays in procurement.	Accelerate procurement process.
P005	Project Epsilon	1100000	1050000	1150000	100000	9%	80000	Low	High	Pass	91%	2023-10-30	2023-11-06	John Doe	Jane Smith	Good progress, minor issues.	Address minor issues promptly.
P006	Project Zeta	700000	750000	800000	50000	7%	30000	Medium	Medium	Pass	85%	2023-10-31	2023-11-07	John Doe	Jane Smith	Budget variance noted.	Investigate budget variance.
P007	Project Eta	1300000	1250000	1400000	150000	12%	120000	Low	High	Pass	93%	2023-11-01	2023-11-08	John Doe	Jane Smith	Excellent performance.	Share best practices.
P008	Project Theta	600000	620000	650000	30000	5%	20000	Medium	Medium	Pass	82%	2023-11-02	2023-11-09	John Doe	Jane Smith	Minor cost overruns.	Optimize resource allocation.
P009	Project Iota	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2023-11-03	2023-11-10	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P010	Project Kappa	500000	520000	550000	30000	6%	15000	Medium	Medium	Pass	80%	2023-11-04	2023-11-11	John Doe	Jane Smith	Budget slightly exceeded.	Review budget for next phase.
P011	Project Lambda	1500000	1450000	1600000	150000	10%	140000	Low	High	Pass	96%	2023-11-05	2023-11-12	John Doe	Jane Smith	Outstanding performance.	Recognize team efforts.
P012	Project Mu	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2023-11-06	2023-11-13	John Doe	Jane Smith	Minor delays.	Address delays quickly.
P013	Project Nu	1600000	1550000	1700000	150000	9%	150000	Low	High	Pass	97%	2023-11-07	2023-11-14	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P014	Project Xi	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2023-11-08	2023-11-15	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P015	Project Omicron	1700000	1650000	1800000	150000	9%	160000	Low	High	Pass	98%	2023-11-09	2023-11-16	John Doe	Jane Smith	Top performance.	Share success story.
P016	Project Pi	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2023-11-10	2023-11-17	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P017	Project Rho	1800000	1750000	1900000	150000	8%	170000	Low	High	Pass	99%	2023-11-11	2023-11-18	John Doe	Jane Smith	Exceptional performance.	Recognize team efforts.
P018	Project Sigma	100000	105000	110000	5000	5%	1000	Medium	Medium	Pass	65%	2023-11-12	2023-11-19	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P019	Project Tau	1900000	1850000	2000000	150000	8%	180000	Low	High	Pass	99%	2023-11-13	2023-11-20	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P020	Project Upsilon	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2023-11-14	2023-11-21	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P021	Project Phi	1600000	1550000	1700000	150000	9%	160000	Low	High	Pass	97%	2023-11-15	2023-11-22	John Doe	Jane Smith	Outstanding performance.	Share success story.
P022	Project Chi	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2023-11-16	2023-11-23	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P023	Project Psi	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2023-11-17	2023-11-24	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P024	Project Omega	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2023-11-18	2023-11-25	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P025	Project Alpha	1000000	950000	1200000	250000	25%	150000	Low	High	Pass	95%	2023-11-19	2023-11-26	John Doe	Jane Smith	Project completed successfully.	Final report submission.
P026	Project Beta	800000	820000	900000	80000	10%	50000	Medium	Medium	Pass	88%	2023-11-20	2023-11-27	John Doe	Jane Smith	Minor budget overrun.	Review budget for next phase.
P027	Project Gamma	1200000	1100000	1300000	200000	17%	100000	Low	High	Pass	92%	2023-11-21	2023-11-28	John Doe	Jane Smith	On schedule and within budget.	Prepare for client presentation.
P028	Project Delta	900000	980000	1000000	100000	11%	70000	Medium	Medium	Pass	90%	2023-11-22	2023-11-29	John Doe	Jane Smith	Minor delays in procurement.	Accelerate procurement process.
P029	Project Epsilon	1100000	1050000	1150000	100000	9%	80000	Low	High	Pass	91%	2023-11-23	2023-11-30	John Doe	Jane Smith	Good progress, minor issues.	Address minor issues promptly.
P030	Project Zeta	700000	750000	800000	50000	7%	30000	Medium	Medium	Pass	85%	2023-11-24	2023-12-01	John Doe	Jane Smith	Budget variance noted.	Investigate budget variance.
P031	Project Eta	1300000	1250000	1400000	150000	12%	120000	Low	High	Pass	93%	2023-11-25	2023-12-02	John Doe	Jane Smith	Excellent performance.	Share best practices.
P032	Project Theta	600000	620000	650000	30000	5%	20000	Medium	Medium	Pass	82%	2023-11-26	2023-12-03	John Doe	Jane Smith	Minor cost overruns.	Optimize resource allocation.
P033	Project Iota	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2023-11-27	2023-12-04	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P034	Project Kappa	500000	520000	550000	30000	6%	15000	Medium	Medium	Pass	80%	2023-11-28	2023-12-05	John Doe	Jane Smith	Budget slightly exceeded.	Review budget for next phase.
P035	Project Lambda	1500000	1450000	1600000	150000	10%	140000	Low	High	Pass	96%	2023-11-29	2023-12-06	John Doe	Jane Smith	Outstanding performance.	Recognize team efforts.
P036	Project Mu	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2023-11-30	2023-12-07	John Doe	Jane Smith	Minor delays.	Address delays quickly.
P037	Project Nu	1600000	1550000	1700000	150000	9%	160000	Low	High	Pass	97%	2023-12-01	2023-12-08	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P038	Project Xi	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2023-12-02	2023-12-09	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P039	Project Omicron	1700000	1650000	1800000	150000	8%	170000	Low	High	Pass	99%	2023-12-03	2023-12-10	John Doe	Jane Smith	Exceptional performance.	Recognize team efforts.
P040	Project Pi	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2023-12-04	2023-12-11	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P041	Project Rho	1800000	1750000	1900000	150000	8%	180000	Low	High	Pass	99%	2023-12-05	2023-12-12	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P042	Project Sigma	100000	105000	110000	5000	5%	1000	Medium	Medium	Pass	65%	2023-12-06	2023-12-13	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P043	Project Tau	1900000	1850000	2000000	150000	8%	190000	Low	High	Pass	99%	2023-12-07	2023-12-14	John Doe	Jane Smith	Outstanding performance.	Share success story.
P044	Project Upsilon	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2023-12-08	2023-12-15	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P045	Project Phi	1600000	1550000	1700000	150000	9%	160000	Low	High	Pass	97%	2023-12-09	2023-12-16	John Doe	Jane Smith	Outstanding performance.	Share success story.
P046	Project Chi	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2023-12-10	2023-12-17	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P047	Project Psi	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2023-12-11	2023-12-18	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P048	Project Omega	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2023-12-12	2023-12-19	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P049	Project Alpha	1000000	950000	1200000	250000	25%	150000	Low	High	Pass	95%	2023-12-13	2023-12-20	John Doe	Jane Smith	Project completed successfully.	Final report submission.
P050	Project Beta	800000	820000	900000	80000	10%	50000	Medium	Medium	Pass	88%	2023-12-14	2023-12-21	John Doe	Jane Smith	Minor budget overrun.	Review budget for next phase.
P051	Project Gamma	1200000	1100000	1300000	200000	17%	100000	Low	High	Pass	92%	2023-12-15	2023-12-22	John Doe	Jane Smith	On schedule and within budget.	Prepare for client presentation.
P052	Project Delta	900000	980000	1000000	100000	11%	70000	Medium	Medium	Pass	90%	2023-12-16	2023-12-23	John Doe	Jane Smith	Minor delays in procurement.	Accelerate procurement process.
P053	Project Epsilon	1100000	1050000	1150000	100000	9%	80000	Low	High	Pass	91%	2023-12-17	2023-12-24	John Doe	Jane Smith	Good progress, minor issues.	Address minor issues promptly.
P054	Project Zeta	700000	750000	800000	50000	7%	30000	Medium	Medium	Pass	85%	2023-12-18	2023-12-25	John Doe	Jane Smith	Budget variance noted.	Investigate budget variance.
P055	Project Eta	1300000	1250000	1400000	150000	12%	120000	Low	High	Pass	93%	2023-12-19	2023-12-26	John Doe	Jane Smith	Excellent performance.	Share best practices.
P056	Project Theta	600000	620000	650000	30000	5%	20000	Medium	Medium	Pass	82%	2023-12-20	2023-12-27	John Doe	Jane Smith	Minor cost overruns.	Optimize resource allocation.
P057	Project Iota	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2023-12-21	2023-12-28	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P058	Project Kappa	500000	520000	550000	30000	6%	15000	Medium	Medium	Pass	80%	2023-12-22	2023-12-29	John Doe	Jane Smith	Budget slightly exceeded.	Review budget for next phase.
P059	Project Lambda	1500000	1450000	1600000	150000	10%	140000	Low	High	Pass	96%	2023-12-23	2023-12-30	John Doe	Jane Smith	Outstanding performance.	Recognize team efforts.
P060	Project Mu	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2023-12-24	2024-01-01	John Doe	Jane Smith	Minor delays.	Address delays quickly.
P061	Project Nu	1600000	1550000	1700000	150000	9%	160000	Low	High	Pass	97%	2023-12-25	2024-01-02	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P062	Project Xi	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2023-12-26	2024-01-03	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P063	Project Omicron	1700000	1650000	1800000	150000	8%	170000	Low	High	Pass	99%	2023-12-27	2024-01-04	John Doe	Jane Smith	Exceptional performance.	Recognize team efforts.
P064	Project Pi	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2023-12-28	2024-01-05	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P065	Project Rho	1800000	1750000	1900000	150000	8%	180000	Low	High	Pass	99%	2023-12-29	2024-01-06	John Doe	Jane Smith	Excellent results.	Document lessons learned.
P066	Project Sigma	100000	105000	110000	5000	5%	1000	Medium	Medium	Pass	65%	2023-12-30	2024-01-07	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P067	Project Tau	1900000	1850000	2000000	150000	8%	190000	Low	High	Pass	99%	2023-12-31	2024-01-08	John Doe	Jane Smith	Outstanding performance.	Share success story.
P068	Project Upsilon	300000	310000	330000	20000	7%	5000	Medium	Medium	Pass	75%	2024-01-01	2024-01-09	John Doe	Jane Smith	Minor cost issues.	Optimize costs.
P069	Project Phi	1600000	1550000	1700000	150000	9%	160000	Low	High	Pass	97%	2024-01-02	2024-01-10	John Doe	Jane Smith	Outstanding performance.	Share success story.
P070	Project Chi	400000	410000	430000	20000	5%	10000	Medium	Medium	Pass	78%	2024-01-03	2024-01-11	John Doe	Jane Smith	Budget slightly over.	Review budget for next phase.
P071	Project Psi	1400000	1350000	1500000	150000	11%	130000	Low	High	Pass	94%	2024-01-04	2024-01-12	John Doe	Jane Smith	On track and performing well.	Continue current trajectory.
P072	Project Omega	200000	210000	220000	10000	5%	2000	Medium	Medium	Pass	70%	2024-01-05	2024-				

Category	Item	Unit	Price	Quantity	Total	Notes
Food & Beverage	1. Breakfast (Buffet)	Per Person	15.00	10	150.00	Includes coffee, juice, and pastries.
	2. Lunch (Buffet)	Per Person	25.00	10	250.00	Includes salad, main course, and dessert.
	3. Dinner (Buffet)	Per Person	35.00	10	350.00	Includes appetizer, main course, and dessert.
	4. Soft Drink (Bottle)	Per Bottle	2.00	10	20.00	Includes water and soft drinks.
	5. Coffee (Cup)	Per Cup	1.00	10	10.00	Includes coffee and tea.
	6. Juice (Glass)	Per Glass	1.50	10	15.00	Includes orange and apple juice.
	7. Dessert (Plate)	Per Plate	3.00	10	30.00	Includes cake and fruit.
	8. Appetizer (Plate)	Per Plate	4.00	10	40.00	Includes soup and salad.
	9. Main Course (Plate)	Per Plate	12.00	10	120.00	Includes steak and vegetables.
	10. Side Dish (Plate)	Per Plate	2.00	10	20.00	Includes potatoes and rice.
Accommodation	1. Single Room (Night)	Per Night	100.00	10	1000.00	Includes breakfast and taxes.
	2. Double Room (Night)	Per Night	150.00	10	1500.00	Includes breakfast and taxes.
	3. Suite (Night)	Per Night	200.00	10	2000.00	Includes breakfast and taxes.
	4. Villa (Night)	Per Night	300.00	10	3000.00	Includes breakfast and taxes.
	5. Condo (Night)	Per Night	120.00	10	1200.00	Includes breakfast and taxes.
	6. Apartment (Night)	Per Night	80.00	10	800.00	Includes breakfast and taxes.
	7. Cabin (Night)	Per Night	60.00	10	600.00	Includes breakfast and taxes.
	8. Tent (Night)	Per Night	40.00	10	400.00	Includes breakfast and taxes.
	9. Campsite (Night)	Per Night	20.00	10	200.00	Includes breakfast and taxes.
	10. Bed & Breakfast (Night)	Per Night	30.00	10	300.00	Includes breakfast and taxes.
Transportation	1. Car Rental (Day)	Per Day	50.00	10	500.00	Includes insurance and fuel.
	2. Taxi (Hour)	Per Hour	10.00	10	100.00	Includes driver and fuel.
	3. Bus (Hour)	Per Hour	5.00	10	50.00	Includes driver and fuel.
	4. Train (Hour)	Per Hour	3.00	10	30.00	Includes ticket and baggage.
	5. Airplane (Hour)	Per Hour	100.00	10	1000.00	Includes ticket and baggage.
	6. Ferry (Hour)	Per Hour	2.00	10	20.00	Includes ticket and baggage.
	7. Boat (Hour)	Per Hour	1.00	10	10.00	Includes ticket and baggage.
	8. Helicopter (Hour)	Per Hour	50.00	10	500.00	Includes ticket and baggage.
	9. Scooter (Hour)	Per Hour	0.50	10	5.00	Includes fuel and insurance.
	10. Bicycle (Hour)	Per Hour	0.20	10	2.00	Includes helmet and lock.
Entertainment	1. Movie (Ticket)	Per Ticket	10.00	10	100.00	Includes popcorn and taxes.
	2. Concert (Ticket)	Per Ticket	50.00	10	500.00	Includes merchandise and taxes.
	3. Theater (Ticket)	Per Ticket	30.00	10	300.00	Includes program and taxes.
	4. Casino (Ticket)	Per Ticket	20.00	10	200.00	Includes chips and taxes.
	5. Museum (Ticket)	Per Ticket	15.00	10	150.00	Includes guide and taxes.
	6. Zoo (Ticket)	Per Ticket	12.00	10	120.00	Includes food and taxes.
	7. Park (Ticket)	Per Ticket	8.00	10	80.00	Includes entrance and taxes.
	8. Golf (Ticket)	Per Ticket	40.00	10	400.00	Includes club and taxes.
	9. Fishing (Ticket)	Per Ticket	30.00	10	300.00	Includes bait and taxes.
	10. Hunting (Ticket)	Per Ticket	20.00	10	200.00	Includes license and taxes.
Miscellaneous	1. Souvenir (Item)	Per Item	5.00	10	50.00	Includes keychain and magnets.
	2. Gift (Item)	Per Item	10.00	10	100.00	Includes box and wrapping.
	3. Card (Item)	Per Item	2.00	10	20.00	Includes envelope and postmark.
	4. Photo (Item)	Per Item	3.00	10	30.00	Includes print and frame.
	5. Book (Item)	Per Item	4.00	10	40.00	Includes cover and pages.
	6. Magazine (Item)	Per Item	1.00	10	10.00	Includes cover and articles.
	7. Newspaper (Item)	Per Item	0.50	10	5.00	Includes headline and text.
	8. Flyer (Item)	Per Item	0.20	10	2.00	Includes headline and text.
	9. Brochure (Item)	Per Item	0.10	10	1.00	Includes headline and text.
	10. Poster (Item)	Per Item	0.05	10	0.50	Includes headline and text.

[illegible]

Project Information										Financial Overview										Operational Metrics										Compliance & Reporting									
Project ID	Project Name	Manager	Status	Start Date	End Date	Budget (USD)	Actual Cost (USD)	Variance (USD)	ROI (%)	Revenue (USD)	Profit (USD)	Units Produced	Quality Score	Customer Sat.	Market Share (%)	Compliance Score	Audit Status	Report Date	Next Review	Notes	Owner																		
P001	Project Alpha	John Doe	Completed	2023-01-01	2023-03-31	1000000	980000	20000	15%	1200000	220000	150000	95	4.5	12%	98%	Passed	2023-04-15	2023-05-01	Successful launch with minor budget variance.	John Doe																		
P002	Project Beta	Jane Smith	In Progress	2023-04-01	2023-06-30	800000	750000	50000	18%	950000	200000	120000	92	4.2	10%	95%	Pending	2023-07-10	2023-07-25	On track, slight cost savings.	Jane Smith																		
P003	Project Gamma	Mike Johnson	On Hold	2023-05-01	2023-08-31	600000	600000	0	10%	700000	100000	80000	90	4.0	8%	90%	Failed	2023-09-01	2023-09-15	Resources reallocated due to budget constraints.	Mike Johnson																		
P004	Project Delta	Sarah Lee	Completed	2023-02-01	2023-04-30	500000	520000	-20000	12%	600000	80000	60000	98	4.8	15%	99%	Passed	2023-05-10	2023-05-20	Exceeded expectations, high quality.	Sarah Lee																		
P005	Project Epsilon	David Kim	In Progress	2023-06-01	2023-09-30	900000	920000	-20000	14%	1100000	180000	140000	93	4.3	11%	96%	Pending	2023-10-05	2023-10-20	Minor budget overrun, overall good.	David Kim																		
P006	Project Zeta	Emily White	On Hold	2023-07-01	2023-10-31	700000	700000	0	9%	800000	100000	70000	88	3.8	7%	88%	Failed	2023-11-01	2023-11-15	Strategic shift, project paused.	Emily White																		
P007	Project Eta	Chris Brown	Completed	2023-03-01	2023-05-31	400000	390000	10000	16%	500000	100000	50000	96	4.6	13%	97%	Passed	2023-06-10	2023-06-20	Efficient execution, high ROI.	Chris Brown																		
P008	Project Theta	Alex Green	In Progress	2023-08-01	2023-11-30	1100000	1050000	50000	17%	1300000	250000	160000	94	4.4	14%	98%	Pending	2023-12-01	2023-12-15	Good progress, monitoring costs.	Alex Green																		
P009	Project Iota	Mia Black	On Hold	2023-09-01	2024-01-31	850000	850000	0	11%	950000	100000	85000	91	4.1	9%	91%	Failed	2024-02-01	2024-02-15	Market conditions, project delayed.	Mia Black																		
P010	Project Kappa	Noah Grey	Completed	2023-01-15	2023-04-15	300000	310000	-10000	13%	400000	70000	30000	97	4.7	14%	98%	Passed	2023-05-01	2023-05-10	Quick turnaround, excellent results.	Noah Grey																		
P011	Project Lambda	Olivia Blue	In Progress	2023-10-01	2024-02-28	1200000	1180000	20000	19%	1400000	280000	180000	96	4.5	16%	99%	Pending	2024-03-01	2024-03-15	High potential, strong growth.	Olivia Blue																		
P012	Project Mu	Peter Red	On Hold	2023-11-01	2024-03-31	950000	950000	0	10%	1050000	100000	95000	89	3.9	8%	89%	Failed	2024-04-01	2024-04-15	Resource shortage, project stalled.	Peter Red																		
P013	Project Nu	Quinn Yellow	Completed	2023-04-15	2023-07-15	650000	640000	10000	17%	800000	150000	65000	94	4.4	11%	96%	Passed	2023-08-01	2023-08-10	Well-managed, good outcomes.	Quinn Yellow																		
P014	Project Xi	Ryan Purple	In Progress	2023-12-01	2024-04-30	1050000	1020000	30000	18%	1250000	230000	150000	95	4.3	15%	97%	Pending	2024-05-01	2024-05-15	Steady progress, positive trends.	Ryan Purple																		
P015	Project Omicron	Sophia Pink	On Hold	2024-01-01	2024-05-31	750000	750000	0	12%	850000	100000	75000	90	4.0	10%	90%	Failed	2024-06-01	2024-06-15	Uncertain future, project paused.	Sophia Pink																		
P016	Project Pi	Tyler Orange	Completed	2023-05-15	2023-08-15	550000	560000	-10000	14%	700000	120000	55000	96	4.6	12%	97%	Passed	2023-09-01	2023-09-10	Efficient, reliable, and profitable.	Tyler Orange																		
P017	Project Rho	Uma Silver	In Progress	2024-02-01	2024-06-30	1150000	1100000	50000	17%	1350000	240000	160000	94	4.4	14%	98%	Pending	2024-07-01	2024-07-15	Strong performance, high ROI.	Uma Silver																		
P018	Project Sigma	Victor Bronze	On Hold	2024-03-01	2024-07-31	800000	800000	0	11%	900000	100000	80000	88	3.8	9%	88%	Failed	2024-08-01	2024-08-15	Market																			

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APPENDIX B -
DISTURBED AREA ANALYSIS

APPENDIX C -
BAFFINLAND EQUIPMENT INVENTORY AUDIT

APPENDIX D -
SUPPORTING DOCUMENTATION