



## JOINT SUBMISSION TO THE NUNAVUT WATER BOARD

July 29, 2022

QIA and Baffinland completed a review of their respective updated reclamation security estimates and have reached an agreement on the appropriate quantum of reclamation security for 2022. The two revised estimates prepared by QIA and Baffinland, which were filed with the Nunavut Water Board on July 29, 2022 and June 14, 2022, respectively, represent the parties' best efforts to minimize estimate discrepancies. Both parties worked together, through participation in several technical workshops, to discuss and evaluate discrepancies and work towards a suitable compromise. The parties remain committed to working towards a suitable solution on outstanding estimate discrepancies.

The revised Baffinland and QIA security estimates for 2022 are \$104,549,205 and \$123,293,000, respectively. QIA and Baffinland have agreed after extensive discussions that the amount presently held by QIA (\$120,999,500) is the appropriate quantum for 2022 and reflects an acceptable compromise given the following circumstances:

1. The parties have, over the last six (6) months, achieved significant progress in aligning methodology and approach.
2. Current economic uncertainty in Canada and worldwide may have an impact on Baffinland's operations and will certainly have an impact on many of the costing assumptions that support the parties' estimates.

Both parties express their appreciation to the Nunavut Water Board for permitting a significant extension to the 2022 Annual Security Review to accommodate modifications to the Commercial Lease reclamation security adjustment process.