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5002PC2402P Qikiqtarjuaq

4PCJQP 495 Resolute Bay

50P2096 Sanikiluag

50556 Sanirajak **Nunavut Water Board** P.O. Box 119 Gjoa Haven, Nunavut X0B 1J0

January 31, 2023

RE: 2023 Annual Security Review for the Mary River Project - Licence No. 2AM-MRY1325 Type "A"

The Qikiqtani Inuit Association (QIA) issues this correspondence to update parties on progress towards assessing the appropriate quantum of reclamation security for the portion of Baffinland Iron Mines Corporation's (Baffinland) Mary River Project situated on Inuit Owned Land and to raise awareness of the concurrent adjustment of reclamation security process established by the QIA-Baffinland Commercial Lease Q13C301¹.

QIA received Baffinland's 2023 Work Plan² and 2023 Security Estimate³ on December 15, 2023 and initiated its review shortly thereafter in support of both the NWB Annual Security Review and Commercial Lease. QIA submitted an information request package on January 5, 2023 which included a request for an updated version of the 2023 Security Estimate confirmation that addressed a \$2m discrepancy identified by QIA, among other requests. Baffinland responded to most requests on January 23, 2023, with several exceptions, including the issuance of an updated estimate.

This information exchange has been largely productive but ultimately remains ongoing. A teleconference is currently scheduled for February 2, 2023 to provide additional opportunity for technical discussions between QIA and Baffinland.

At this time QIA's security estimators require additional insight from Baffinland before issuing the 2023 Security Report for the Mary River Project. QIA is now targeting a submission date of February 28, 2023, contingent on Baffinland's timely submission of outstanding requested information.

QIA also acknowledges that the Government of Canada has proposed to defer the Annual Security Review to 2024 on the basis that their current holdings for the portion of the project situated on Crown Lands remains sufficient. Regardless of a potential deferral, the

³ Baffinland (2022). 2023 Marginal Closure and Reclamation Financial Security Estimate. December 15, 2023.





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

² Baffinland (2022). 2023 Work Plan (Rev 0). December 15, 2023.

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50556 Sanirajak concurrent Commercial Lease process will proceed uninterrupted and will ensure that QIA remains adequately secured for the reclamation cost associated with the portion of the project situated on Inuit Owned Lands.

Sincerely,

Chris Spencer

Assistant Director, Lands and Resource Management