QIA - 2024 Mary River Security Estimate

okane

Methodology

- Unit Rate Development
  - RECLAIM model where directly applicable
  - Productivity rates from equipment handbooks
  - Comparison to other Okane projects

- Disturbed Area Analysis
  - Verification of all quantities used by BIM

- Scope
  - Background review of Mary River data/documents (WRF design, water quality etc) + site visit

QIA Security Estimate

- Total (highest cost for calendar year) - $156M

- Direct Costs – $77.5M
  - NAG Cover System – $28.8M
  - Remediation of Contaminated Ore Stockpiles–$4.8M
  - Grade and Re-countour – $11.6M
  - Building Demolition - $5.9M
  - Equipment Demob - $7.8M

QIA Security Estimate

- Indirect Costs - $79M
  - Monitoring + Maintenance - $19.2M
  - Mob/Demob Reclamation Equipment - $28.9M
  - Admin + Engineering - $11.2M
  - Contingency - $15.5M

Uncertainties

- Climate change effects – is cover system thickness appropriate for climate change?
- Pit-wall stability/ high wall cover system – are pit-walls geotechnically and geochemically stable as is?
- Water treatment periods – Estimate assumes 3 years of treatment, is there any supporting documentation?

Discrepancies

- QIA Estimate - **$156M**

- CIRNAC:
  - **$167M** (without consideration of progressive placement of WRF cover system)
  - **$133M** (with consideration for progressive placement of WRF cover system)

- BIM - **$125M**

Key Differences - QIA and CIRNAC

- 20% Contingency applied on Direct and Indirect costs by CIRNAC, only direct costs by QIA
- If contingency was applied the same way by QIA – estimate could come to **~$169M (only $2M higher than CIRNAC)**

- Smaller discrepancies
  - Water treatment costs, monitoring costs, calcium chloride demob, fuel mob, engineering and project management costs

Key Differences – QIA and BIM

- WRF Cover System Quantity and Unit Price
  - BIM only includes 15% of PAG area in estimate, representing anticipated WRF cover composition December 31, 2024
  - Cover system thickness of 3 m (BIM) vs 4 m (QIA)
  - Unit price of $12.38/m^3 (BIM) vs $18.07/m^3 (QIA)
- Contingency applied on indirect costs

Contact Us

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