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Qikiqtani Inuit Association



JOINT SUBMISSION TO THE NUNAVUT WATER BOARD

May 31, 2024

Baffinland Iron Mines Corporation (Baffinland) and the Qikiqtani Inuit Association (QIA) have engaged in extensive discussions regarding the 2024 Annual Security Review (ASR). These discussions culminated in agreement between Baffinland Iron Mines Corporation (Baffinland) and the Qikiqtani Inuit Association (QIA) on the 2024 ASR.

As of March 26, 2024, the security value posted pursuant to the Commercial Lease was \$120,999,500 in respect of Inuit Owned Lands (IOL) held by the QIA. A portion of the security held by QIA is in cash form for which QIA has earned \$1,021,247 in interest over and above the \$120,999,500 in security required, meaning QIA total security holdings from Baffinland were \$122,020,747.

Discussions between Baffinland and QIA for the 2024 ASR focused on the appropriate reclamation security required for the Mary River Project Waste Rock Facility (WRF) in areas where exposed potentially acid-generating material is present, as well as the application of inflation and contingency across the security estimate. Baffinland and QIA have agreed that these reclamation security requirements can be addressed through Baffinland posting an additional \$8,312,729 to the QIA, resulting in QIA holding total security for \$130,333,476. The additional security was issued on May 8, 2024 in a manner consistent with the requirements of the Commercial Lease.

The security requirements for the WRF are contingent on Baffinland demonstrating adequate cover placement and geochemical testing on a quarterly basis, and third party audits of the progress to meet those requirements, as agreed to by Baffinland and QIA. Baffinland will issue quarterly reports, as outlined in the Phase I Waste Rock Management, to report on progress of cover placement on the WRF.

Both parties express their appreciation to the NWB for permitting an extension to the 2024 Annual Security Review to accommodate modifications to the Commercial Lease reclamation security adjustment process, and the extensive discussions that have taken place.

Baffinland and QIA look forward to working with NWB when parties embark on future ASR processes.

Sincerely,

Conor Goddard
Manager, Project Compliance and Monitoring
Qikiqtani Inuit Association

Elisabeth Luther
Senior Manager, Regulatory Affairs
Baffinland Iron Mines Corporation