

May 31, 2024

Karén Kharatyan  
Director, Technical Services  
Nunavut Water Board  
Gjoa Haven, Nunavut, X0B 1J0

**Re: 2AM-MRY1325 2024 Annual Security Review**

Dear Mr. Kharatyan,

Baffinland Iron Mines Corporation (Baffinland) would like to thank the Nunavut Water Board (NWB), Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and the Qikiqtani Inuit Association (QIA) for their time and effort in reviewing Baffinland's 2024 Work Plan and associated documents submitted as part of the 2024 Annual Security Review (ASR).

As outlined in Baffinland's presentation delivered during the NWB conference call on May 23, Baffinland has agreed to the 2024 Security Estimate, as outlined in Table 1 below.

**Table 1. 2024 Security Estimate under Type A 2AM-MRY1325**

Authorization	Liability	Total 'Global' Estimated Security for 2024	Total Posted as of May 2024 (adjusted for interest)	Marginal Adjustment to be Posted <sup>5</sup>
		(\$)	(\$)	(\$)
Type A 2AM-MRY1325	IOL <sup>2</sup>	130,333,476	122,020,747	8,312,729
	Crown	3,451,009	2,788,000	663,009
<b>Total Type A</b>		<b>133,784,485</b>	<b>124,808,747</b>	<b>8,975,738</b>

On May 8, 2024, Baffinland issued a letter of credit to the QIA, under the Commercial Lease, in the amount of \$8,312,729, in alignment with the above security estimate (Table 1). This is confirmed in the Joint Statement submitted by Baffinland and QIA on May 31, 2024.

Baffinland is also submitting a Work Plan Addendum, which includes the details for an expanded laydown at the Mary River Mine Site (Attachment 1). A laydown area proposed in the original 2024 Work Plan has been reduced by an equivalent surface area, and as a result, this Addendum does not result in a change to the total security calculation shown in Table 1.

May 31, 2024

We look forward to the next steps in the process and remain available to provide any additional information, as needed.

Regards,

A handwritten signature in blue ink, appearing to read "Elisabeth", followed by a period.

Elisabeth Luther  
Senior Manager, Regulatory Affairs

Cc: Lou Kamermans (Baffinland)  
Andrew Keim (CIRNAC)  
Conor Goddard (QIA)

*Attachment 1. 2024 Work Plan Addendum*




**ATTACHMENT 1.**  
**2024 WORK PLAN ADDENDUM**

# 2024 WORK PLAN ADDENDUM

MAY 31, 2024

REV 0



2024-05-31	0	Issued for Use			
			S. Borcsok	E. Luther	M. Lord-Hoyle
Date	Rev.	Status	Prepared By	Checked By	Approved By

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## 1 INTRODUCTION

The following document presents the 2024 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, this document is a requirement under Amendment No. 1 of the Type 'A' Water Licence 2AM-MRY1325 for the purposes of an Annual Security Review (ASR), 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. The work items as described and constructed in the 2024 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 D and relevant regulatory and permit obligations.

The 2024 Work Plan Addendum has been prepared in accordance with the Lease Operations Guide for the "Annual Work Plan Submission" finalized in 2018. The Operations Guide is a set of procedures developed jointly by QIA and Baffinland to guide the on-going administration of the Lease.

The purpose of the 2024 Work Plan Addendum is to update and revise plans for the 2024 year. Specifically the revised plans for 2024 include construction of an expanded laydown at the Mary River Mine Site in the vicinity of the warehouse building to support movement of materials at the site and improve water management in the area. A laydown area proposed in the original 2024 Work Plan has been reduced by an equivalent surface area. As a result, there is no change in the total security calculation.

## 2 LIST OF CURRENT PERMITS

The Work Plan is presented within the context of the applicable regulatory authorizations. The main regulatory instruments that allow for the 2024 Work Plan Addendum activities are presented in Table 2.1 below.

**Table 2.1: Existing Environmental Permits**

Permit Name	Permit Number	Regulatory Agency	Expiry
Project Certificate	005, Amendment No. 004	Nunavut Impact Review Board	No Expiry
Inuit Impact Benefit Agreement	N/A	Qikiqtani Inuit Association	No Expiry
Commercial Lease	Q13C301	Qikiqtani Inuit Association	31-Dec-43
Type A Water Licence, Amendment No. 1	2AM-MRY1325	Nunavut Water Board	10-Jun-25
Type B Water License – Exploration	2BE-MRY2131	Nunavut Water Board	16-Apr-31
Land Use Permit - Steensby	N2019C0009	Crown Indigenous Relations and Northern Affairs Canada	29-Jun-24
Land Use Permit – Tote Road	N2019Q0011	Crown Indigenous Relations and Northern Affairs Canada	29-Jun-24
Land Use Permit - Bruce Head	N2019J0010	Crown Indigenous Relations and Northern Affairs Canada	29-Jun-24
Quarrying Permit - Tote Road (Borrow P1 at Km 63)	Under Review	Crown Indigenous Relations and Northern Affairs Canada	N/A
Land Lease - Milne Foreshore	47H/16-1-2 Amendment 47H/16-1-5	Crown Indigenous Relations and Northern Affairs Canada	30-Jun-35
Permitted Quarries and Borrows on Inuit Owned Land: Quarries Q1, QMR2, Q7, Q11, Q19, Borrows Km 104, Km 2, and Km 97	N/A	Qikiqtani Inuit Association	N/A
Fisheries Authorization – Freight Dock	18-HCAA-00160	Fisheries and Oceans Canada	N/A
Fisheries Authorization - Tote Road	NU-06-0084	Fisheries and Oceans Canada	No Expiry
Fisheries Authorization – Crossings	06-HCAA-CA7-00084	Fisheries and Oceans Canada	N/A
Fisheries Crossings along Tote Road and Quarries, culvert extensions and replacements	Various Letters of Advice	Fisheries and Oceans Canada	No Expiry
Navigable Waters - Crossings	8200-07-10273, 10267, 10269, 10268, 10274, 10272, 10266, 10271	Transport Canada	Until work completed
Marine Facility	Statement of Compliance of a Marine Facility #1000000660	Transport Canada	27-May-2025
Scientific Permit <sup>1</sup>	02 027 24R-M	Government of Nunavut	31-Dec-24
Factory Licence <sup>2</sup>	F1-076068/E	National Resources Canada	-

**NOTE:**

1 Held by Baffinland for data collection and analysis for environmental monitoring and management with the Project.

2 Held by Dyno Nobel, the explosives contractor on behalf of the Project.



### 3 ANNUAL SCOPE OF OPERATIONS AND WORK

Table 3.1 below provides a description of the new work proposed for 2024.

Table 3.1: Revised Scope of Work for 2024

Item No.	Property Section	Land Use Area	Approximate Location	Description	Description of Effect on Feature(s)	Anticipated Completion Year	Required Permit or QIA Applications	Other Information
	<i>e.g. Milne Inlet/ Tote Road/ Mine Site</i>	<i>e.g. Impact Area /Exploration Area</i>	<i>Approximate UTM (if known) (NAD83 Zone 17W)</i>	<i>Provide a detailed description of the activity.</i>	<i>A description of how the feature(s) (topographical and/or manmade) will be affected</i>		<i>List any associated permit applications if applicable.</i>	<i>e.g. Issued for construction documentation</i>
2024-5	Mine Site	Impact Area	N7912823 E562064	Development of a laydown area at the Mine Site for temporary storage of equipment and materials. 2024 Work Plan Addendum Change – Area reduced from 41,823 m2 to 13,552 m2	Levelling and grading within Potential Development Area and Tote Road	2025	Security	Surveys
2024-6	Mine Site	Impact Area	(A) N7913989 E559393 (B) N7913991 E559591 (C) N7913888 E559716	Expansion of the Mary River Warehouse laydown area by 28,270 m2.	Levelling and grading within Potential Development Area and Tote Road	2024	Security	Surveys

### 3.1 INFRASTRUCTURE LAYOUT AT END OF 2024

The updated site layout for the Mary River Mine Site can be found in Appendix B of this document. The activities proposed in the 2024 Work Plan Addendum are identified on those site layouts by item number, as referenced in Table 3.1.

#### **4 MINING AND EXPLORATION ACTIVITIES**

##### **4.1 EXPLORATION ACTIVITIES AND DRILLING PLANS**

There are no revisions to the scope of exploration activities under Baffinland's Type 'B' Licence (2BE-MRY2131) and Commercial Lease with QIA.

##### **4.2 AMOUNT AND TYPE OF ORE AND WASTE TO BE MINED**

There are no revisions to the volume of ore to be mined in 2024 at this time.

##### **4.3 AMOUNT AND TYPE OF ORE TO BE SHIPPED EACH MONTH**

There are no revisions to the volume of ore to be shipped in 2024 at this time.

##### **4.4 SPECIFIED SUBSTANCES TO BE QUARRIED AND EXPECTED USES**

There are no revisions to the quantities of specified substances to be removed in 2024 at this time.

## **5 ANNUAL QUANTITIES OF SOLID WASTE**

### **5.1 SOLID WASTE DISPOSAL**

There are no revisions to the expected annual quantity of solid wastes to be deposited during 2024.

## 6 EXPECTED USES OF WATER

### 6.1 WATER USE

There are no revisions to the expected quantities of water to be used for domestic and industrial purposes at the Project.

## **7 MATERIALS TO BE SHIPPED OFF THE PROPERTY**

### **7.1 MATERIALS SHIPPED OUT**

There are no revisions to the list of additional materials expected to be shipped off the property in 2024.

## **8 MATERIALS TO BE SHIPPED TO THE PROPERTY**

### **8.1 DELIVERY OF FUEL**

There are no revisions to the anticipated fuel delivery in 2024 at this time.

### **8.2 MATERIALS SHIPPED TO THE PROPERTY**

There are no revisions to the list of materials to be shipped to the property in 2024.



## 9 UPDATES TO ITEMS CONTAINED IN THE SCHEDULES OF THE LEASE

### 9.1 UPDATES TO THE EMERGENCY RESPONSE PLAN

The applicable Emergency Response Plan BAF-PH1-830-P16-0007 and Spill Contingency Plan BAF-PH1-830-P16-0036 have been provided previously in Appendices of the 2024 Work Plan. There are no changes to these plans as a result of the 2024 Work Plan Addendum.

### 9.2 UPDATES TO ENVIRONMENTAL MANAGEMENT AND MONITORING PLANS

An updated list of the current plans for the project is presented in Table 9.1 below.

**Table 9.1: Environmental Monitoring and Management Plans**

Document Number	Plan Name	Version
BAF-PH1-830-P16-0002	Air Quality and Noise Abatement Management Plan	April 2021
BAF-PH1-830-P16-0006	Cultural Heritage Resource Protection Plan	March 2016
BAF-PH1-810-PRO-0016	Job Hazard Identification Procedure	January 2020
N/A	EHS Framework Standard	March 2014
H337697-0000-01-126-0002	Health and Safety Management Plan	January 2012
SD-SEMP-003	Human Resources Management Plan	December 2010
BAF-PH1-830-P16-0027	Terrestrial Environmental Management and Monitoring Plan	March 2016
BAF-PH1-830-P16-0025	Stakeholder Engagement Plan	March 2016
BAF-PH1-830-P16-0023	Roads Management Plan	February 2020
BAF-PH1-830-P16-0024	Shipping and Marine Wildlife Management Plan	July 2020
N/A	Blasting Management Plan	April 2013
BAF-PH1-830-P16-0004	Borrow Pits and Quarry Management Plan	March 2014
N/A	Borrow Source Management Plan <sup>1</sup>	October 2013
BAF-PH1-830-P16-0030	Borrow Source Management Plan - Kilometer 2	October 2014
BAF-PH1-830-P16-0032	Borrow Source Management Plan - Kilometer 97	October 2014
BAF-PH1-830-P16-0035	Borrow Source Management Plan - Kilometer 104	March 2014
H349000-4200-07-245-0001	Quarry Management Plan D1Q1	October 2013
H349000-4200-07-245-0002	Quarry Management Plan D1Q2	October 2013
BAF-PH1-830-P16-0017	Quarry Management Plan Q1	May 2019
H349000-3000-07-245-0002	Quarry Management Plan Q11	October 2013
H349000-3000-07-245-0003	Quarry Management Plan Q19	October 2013
H349000-3000-07-245-0001	Quarry Management Plan Q7	October 2013
BAF-PH1-830-P16-0040	Quarry Management Plan QMR2	July 2017
BAF-PH1-840-P16-0002	Emergency Response Plan	December 2020
BAF-PH1-830-P16-0036	Spill Contingency Plan	February 2021

Document Number	Plan Name	Version
BAF-PH1-830-P16-0008	Environmental Protection Plan	April 2021
BAF-PH1-830-P16-0010	Fresh Water Supply, Sewage and Wastewater Management Plan	March 2021
BAF-PH1-830-P16-0011	Hazardous Materials and Hazardous Waste Management Plan	March 2017
BAF-PH1-830-P16-0012	Interim Closure and Reclamation Plan	October 2018
BAF-PH1-830-P16-0026	Surface Water and Aquatic Ecosystems Management Plan	March 2021
BAF-PH1-830-P16-0001	Surface Water Sampling Program - Quality Assurance and Quality Control Plan	March 2021
BAF-PH1-830-P16-0039	Aquatic Effects Monitoring Plan	October 2015
BAF-PH1-830-P16-0028	Waste Management Plan	March 2020
BAF-PH1-830-P16-0029	Phase 1 Waste Rock Management Plan	June 2020
BAF-PH1-830-P16-0031	Life of Mine Waste Rock Management Plan	April 2014
N/A	Explosives Management Plan <sup>2</sup>	August 2013
BAF-PH1-830-P16-0013	Milne Port Oil Pollution Emergency Plan (OPEP)	May 2020
BAF-PH1-830-P16-0041	Polar Bear Safety Plan	March 2016
BAF-PH1-830-P16-0037	Exploration Spill Contingency Plan	January 2021
BAF-PH1-830-P16-0038	Exploration Closure and Reclamation Plan	January 2021
BAF-PH1-830-P16-0042	Spill at Sea Response Plan	August 2015

**Notes:**

1 Discontinued and incorporated into the March 2014 Borrow Pits and Quarry Management Plan.

2 The Explosives Management Plan is a contractor document.

### 9.3 PROPOSED UPDATES TO THE INTERIM CLOSURE AND RECLAMATION PLAN

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

### 9.4 TOTAL CLOSURE AND RECLAMATION SECURITY SUMMARY

The provision of additional securities for the 2024 Work Plan is summarized in Table 9.2 and Table 9.3 of Rev. 0 of the 2024 Work Plan (December 1, 2023). There is no change to the reclamation security estimate for the Project as a result of this 2024 Work Plan Addendum. The increased disturbance area associated with Item 2024-6 is offset by a reduction in proposed disturbance area for Item 2024-5.

The final security estimate amounts have been shared with the Nunavut Water Board through the Annual Security Review.

## **10 REQUESTED AMENDMENTS TO THE PROVISIONS OF THE LEASE**

There are no Tote Road Adjustment Notices (TRANS) and Options Exercise Notices (OENs) associated with this Work Plan Addendum.

## **11 ADDITIONAL REPORTS, INFORMATION OR DATA**

No additional reports, information or data are required to support the 2024 Work Plan Addendum.

## APPENDIX A

### 2024 WORK PLAN ADDENDUM SITE LAYOUT – MINE SITE



