



2026 Annual Security Review

Summary Presentation

February 2026

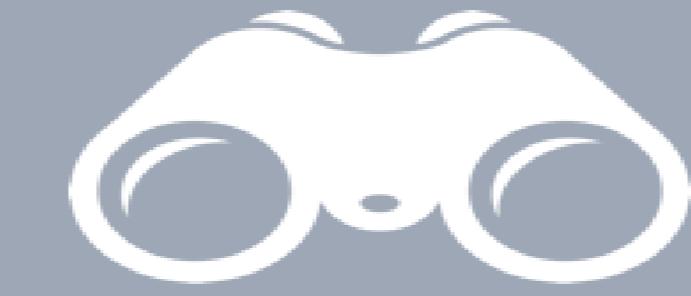


MISSION

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Our mission is to become the lowest cost producer of high-grade iron ore in the world.

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VISION

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Our vision is to safely and efficiently identify and develop resources within Baffin island, unlocking their wealth-generating potential for the benefit of all stakeholders.

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VALUES

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Health & Safety

Safety as a value.

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Integrity

Do what is right, not what is easy.

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Engage and Develop our People

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Respect for all

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Environmental Stewardship

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Pursue Performance Excellence

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Agenda

- Introduction
- 2026 Work Plan Overview
- 2026 Annual Security Review
- Conclusion



A wide-angle photograph of a natural landscape. In the foreground, there is a rocky and sandy area with some low-lying green vegetation. To the right, a river with light blue-green water flows through, with several large rocks in the water. In the background, there are rolling hills and mountains covered in sparse, yellowish-green vegetation under a sky filled with white and grey clouds.

Introduction

Introduction

- Annual update to the reclamation security required under the Type 'A' Water Licence 2AM-MRY2540, and Commercial Lease Q13C301
- Reclamation security intended to be inclusive of all closure and reclamation costs estimated for a third-party Contractor to complete the work
- Security estimate calculated based on updated model developed in 2024
- Estimates are built up from direct cost unit rates, and indirect costs required for a third-party to complete reclamation work to meet closure objectives
- Cost reflects proposed work plan items, in alignment with ICRP



Current Reclamation Security and 2025 process

- Summary of 2025 ASR process
 - 2025 Work Plan proposed no new activities
 - Security for Crown Land held by CIRNAC was unchanged in 2025
 - Baffinland and QIA agreed to increase in security of \$2,969,355 in 2025, resulting in QIA holding total security of \$133,302,831 for IOL

Liability	2025 Global Estimate(\$)
IOL	133,302,831
Crown	3,451,009
Total	136,753,840

A wide-angle photograph of a natural landscape. In the foreground, there is a rocky, uneven ground with some sparse green vegetation. To the right, a river with light blue-green water flows from the background towards the viewer, with several small rapids. The background features a range of mountains with dark, rocky peaks and lower slopes covered in a mix of green and brown vegetation. The sky is filled with scattered white and grey clouds.

2026 Work Plan

2026 Annual Security Review

2026 Work Plan Submission

- Work Plan submitted on October 31, 2025
 - Includes a description of planned work for 2026 – 10 new items
 - Total closure and reclamation security costs
 - Progressive reclamation
 - Closure research
- Key Appendices:
 - A – 2025 Disturbed Area Analysis
 - C – 2025 Borrow Pit Reclamation Report
 - F – Basis of Estimate
 - Other appendices include management plans and OEN for QIA

2026 WORK PLAN

OCTOBER 31, 2025

REV 0

Baffinland

Date	Rev.	Status	Prepared By	Approved By			
Oct 31, 2025	0	Issued for Use	Sustainable Development	Megan Lord-Hoyle	Mark O'Brien	C. van Tonder	M. O'Brien
				M. Lord-Hoyle	M. Anderson	Signature	

1. 2026 Work Plan Overview

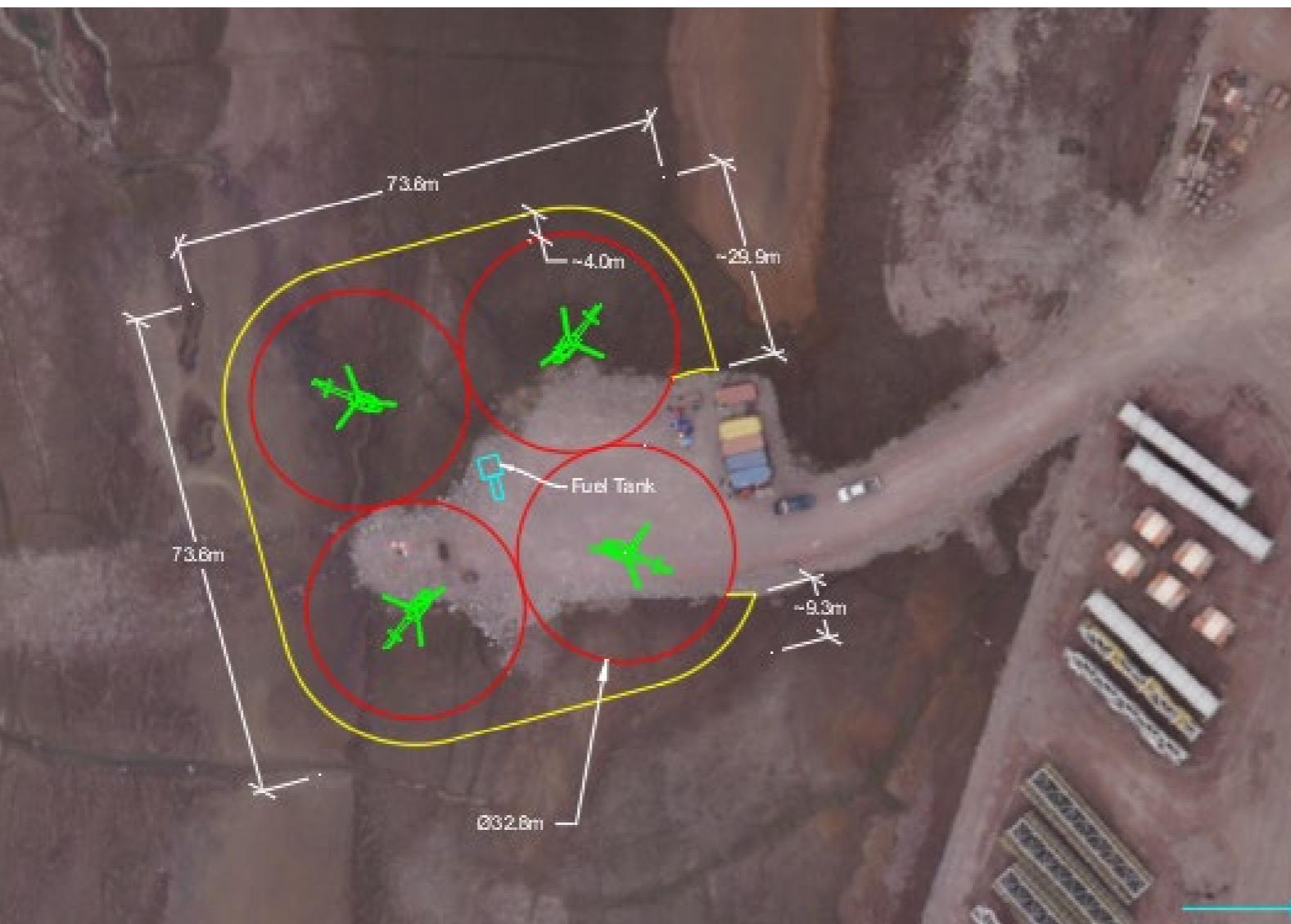
Work Plan	
ID	Description
2026 Scope	
2026-1	Milne Port Helipad Expansion
2026-2	Realignment of Tote Road at crossing CV-216 (KM80.5) <i>Note: Work initiated in September 2025, to be completed in 2026</i>
2026-3	Mine Site Water Treatment Pond
2026-4	KM 105 Water Management Structures
2026-5	Expansion of Mine Site Power Generator Laydown
2026-6	Material Stockpile Connector Road
2026-7	Construction Material Stockpile Area
2026-8	Mine Site Emulsion Truck Laydown and Heating Garage
2026-9	Waste Rock Facility Non-Acid Generating (NAG) Cover Test Pad
2026-10	Construction Material Area Stockpile Expansion

1. 2026 Work Plan Overview

2026-1 – Milne Port Helipad Expansion

2026-1: Milne Port Helipad Expansion

- **Area:** 5,060 m²
- **Purpose:** Improve helicopter management at Milne Port
- **Reclamation Security Direct Costs:** \$8,660



1. 2026 Work Plan Overview

2026-2 – Realignment of Tote Road at crossing CV-216 (KM80.5)

2026-2: Realignment of Tote Road at crossing CV-216 (KM80.5)

- **Area:** 13,525 m²
- **Purpose:** Road bypass and replacement of culverts for road stability and fish passage
- **Reclamation Security Direct Costs:** \$24,098
- Note: this is being included in the 2026 Work Plan to reconcile the security requirements but the work was initiated in 2025, to be completed in 2026



1. 2026 Work Plan Overview

2026-3 – Mine Site Water Treatment Pond

2026-3: Mine Site Water Treatment Pond

- **Area:** 4,000 m² (100 m x 40 m)
- **Purpose:** Lined pond for use in treating impacted water collected in totes (ex. from vehicle washbays)
- **Reclamation Security Direct Costs:** \$23,562



1. 2026 Work Plan Overview

2026-4 – KM 105 Water Management Structures

2026-4: KM 105 Water Management Structures

- **Area:** 72,458 m²
- **Purpose:** Water management and final discharge point at KM 105
- **Reclamation Security Direct Costs:** \$125,413



1. 2026 Work Plan Overview

2026-5 – Expansion of Mine Site Power Generator Laydown

2026-5: Expansion of Mine Site Power Generator Laydown

- **Area:** 13,855 m²
- **Purpose:** Improve operations around power generation at Mine Site
- **Reclamation Security Direct Costs:** \$23,982



1. 2026 Work Plan Overview

2026-6 – Material Stockpile Connector Road

2026-6: Material Stockpile Connector Road

- **Area:** 5,723 m²
- **Purpose:** Provide alternate access to/from material stockpile and reduce haul distances
- **Reclamation Security Direct Costs:** \$9,909



1. 2026 Work Plan Overview

2026-7 – Construction Material Stockpile Area

2026-7: Construction Material Stockpile Area

- **Area:** 226,994 m²
- **Purpose:** Area for stockpiling material for construction
- **Reclamation Security Direct Costs:** \$785,762



1. 2026 Work Plan Overview

2026-8 – Mine Site Emulsion Truck Laydown and Heating Garage

2026-8: Mine Site Emulsion Truck Laydown and Heating Garage

- **Area:** 2,400 m² (laydown)
600 m² (garage)
- **Purpose:** Heating garage for emulsion trucks to improve emulsion delivery
- **Reclamation Security Direct Costs:** \$29,540

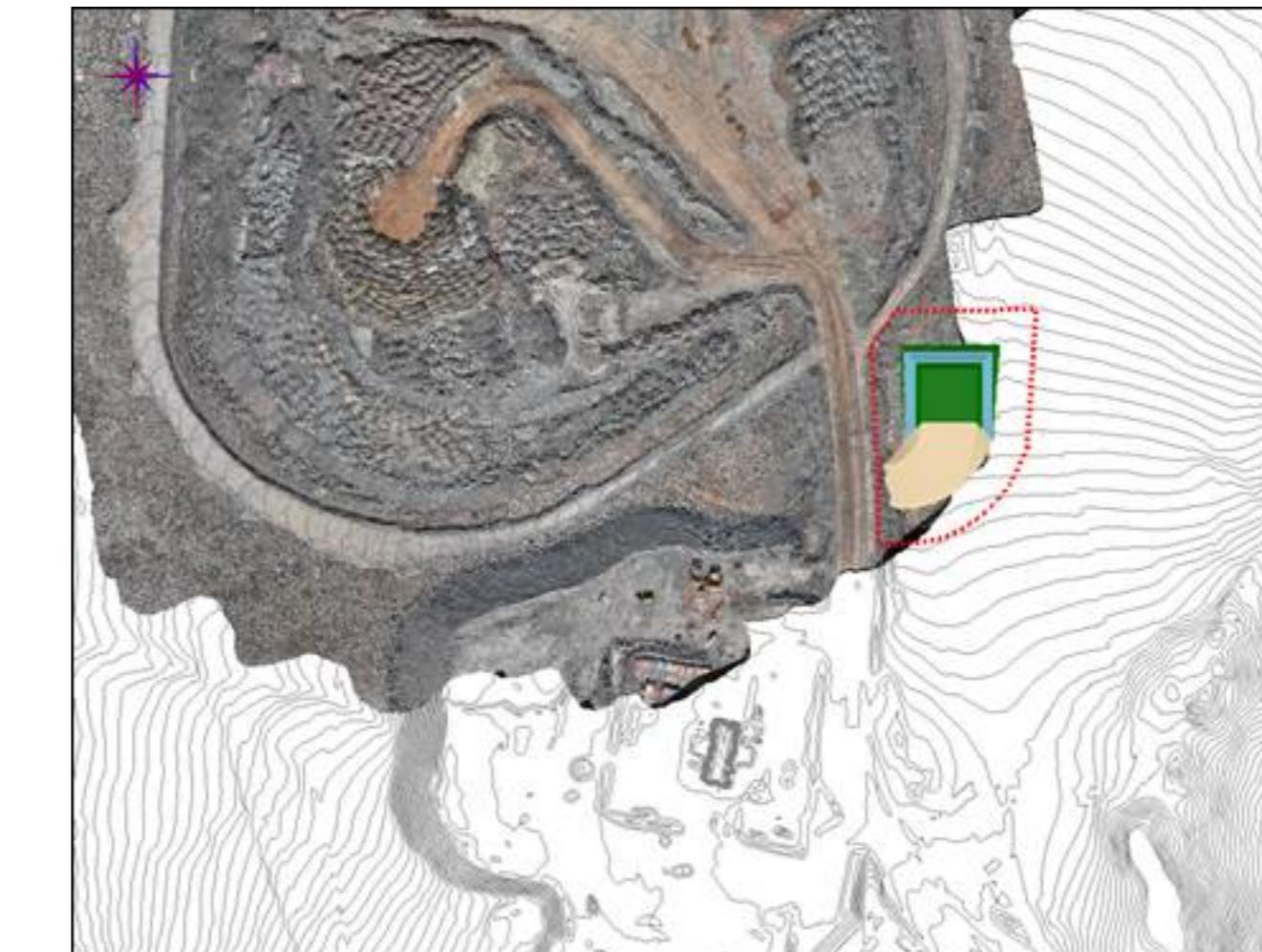


1. 2026 Work Plan Overview

2026-9 – Waste Rock Facility Non-Acid Generating (NAG) Cover Test Pad

2026-9: Waste Rock Facility Non-Acid Generating (NAG) Cover Test Pad

- **Area:** 17,690 m²
- **Purpose:** Test pad for reclamation research on WRF cover
- **Reclamation Security Direct Costs:** \$30,104

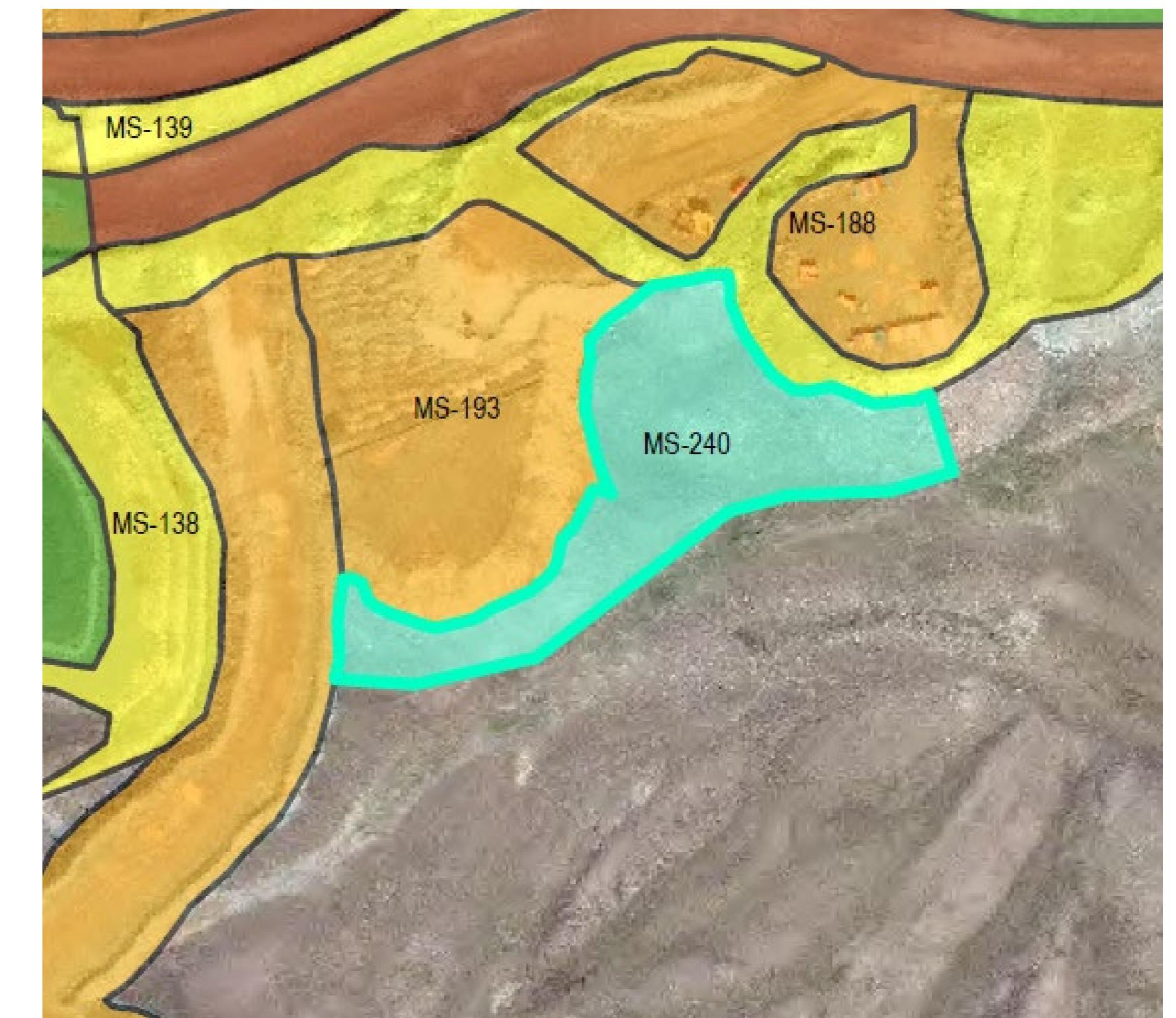


1. 2026 Work Plan Overview

2026-10 – Construction Material Area Stockpile Expansion

2026-10: Construction Material Area Stockpile Expansion

- **Area:** 13,014 m²
- **Purpose:** Expansion of already constructed construction material stockpile
- **Reclamation Security Direct Costs:** \$22,529



A wide-angle photograph of a natural landscape. In the foreground, there is a rocky, uneven ground with some sparse green vegetation. To the right, a river with light blue-green water flows from the background towards the viewer, with several small rapids. The background features a range of mountains with dark, rocky peaks and lower slopes covered in green vegetation. The sky is filled with large, white and grey clouds, with patches of blue visible. The overall scene is a mix of rugged and serene natural elements.

2026 Annual Security Review

2026 Annual Security Review

Reclamation Security Adjustment

- Baffinland thank all parties for their effort in reviewing the 2026 Workplan
- Overall, positive reviewer comments on the new model methodology
- Baffinland has responded to comments from reviewers

2025 Global Security

Liability	2025 Security
IOL	\$ 133,302,831
Crown	\$ 3,451,009
Total	\$ 136,753,840



2026 Global Estimate

Liability	2026 Estimate
IOL	\$ 133,779,426
Crown	\$ 1,737,087
Total	\$ 135,526,503

Key Reviewer Comments

Topic	Summary of Comments	Baffinland Response
Water treatment costs	Reviewer proposed a revised volume-based estimation method for water treatment costs	In 2026, Baffinland updated the estimation method based on reviewer feedback. Method to be discussed further and agreed through ICRP.
Contractor equipment rates	Reviewer suggested that the equipment rates used by Baffinland needed to be inflated using BC derived rates.	Baffinland maintains that the rates used were provided from Inuit suppliers in Nunavut, and acceptable for the estimate.
Re-grade and re-contour airstrip	Reviewer recommended to restore the apron around the runway on the airstrip.	Baffinland recommends keeping the full airstrip, which includes the runway and apron for safety and environmental protection reasons. This is aligned with the ICRP Rev. 6. Baffinland plans to work with QIA to address this in the next ICRP revision.

Key Reviewer Comments

Topic	Summary of Comments	Baffinland Response
Landfill cover system	Reviewer recommended including a 4m cover on the landfill.	The ICRP includes a 3m cover, so this is what has been costed in the estimate. Baffinland has installed thermistors and will gather data. Once data is assessed, we can revisit the ICRP cover thickness as part of planned ongoing closure research.
Omissions from new model	Omitted bridge and building demolition crew, omitted flights, catering and camp for ICM period	Baffinland thank QIA reviewers for their comments.
ICM duration for unplanned closure	Reviewer recommended costing for a 2 year ICM period.	ICM duration is not defined in CIRNAC policy or RECLAIM. One year of ICM has been carried through the ICRP, except in 1 location. Baffinland plans to work with CIRNAC to address this in the next ICRP revision.

Conclusion

- **Key accomplishments**
 - The cost estimate model represents a significant revision, developed to address long-standing comments and concerns raised by CIRNAC and QIA over multiple review cycles
 - In conjunction with the updated model, the ICRP was revised for first time since 2018, reflecting a coordinated and integrated approach.
 - Baffinland is proud of the alignment made between the model and the ICRP, demonstrating consistency in assumptions, methodology and closure planning approach.
- **Context**
 - Proposed 2026 work plan items have an estimated cost of **\$1.3M (\$1.08M in direct costs)**
 - Updates developed in a period of broader context of change, with revisions to RECLAIM and other federal closure guidance occurring concurrently
 - Baffinland acknowledges there are moving parts, and this submission represents a meaningful step forward
- **Path forward**
 - Closure cost estimation is iterative, and refinements over time will continue
 - Baffinland is advancing closure research and technical work to improve confidence in closure planning and estimates
 - ICRP revision is planned for November 1, 2026, focused on continuing to align cost estimate model with closure planning
 - Baffinland will continue to work closely with CIRNAC and QIA to advance planning

Questions?

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