



Crown-Indigenous Relations  
and Northern Affairs Canada

Relations Couronne-Autochtones  
et Affaires du Nord Canada

# Teleconference on Baffinland Iron Mines Corporation 2026 Workplan Annual Security Estimate for Water Licence 2AM-MRY2540

February 6, 2026



Canada



# Presentation Outline

- Role and Responsibilities
- Background
- Security Estimate
- Conclusion





# Roles and Responsibilities

Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC) responsibilities, mandate, and obligations are in alignment with the following:

- *Crown-Indigenous Relations and Northern Affairs Act*
- Nunavut Agreement
- *Nunavut Land Claims Agreement Act*
- *Nunavut Waters and Nunavut Surface Rights Tribunal Act and the associated regulations*
- *Nunavut Planning and Project Assessment Act*
- *Territorial Lands Act* and the associated regulations
- *Arctic Waters Pollution Prevention Act*





## BACKGROUND

- Oct 31, 2025 - BIM submitted a new cost estimate model (CAPEX) with the 2026 Workplan which has been described as a “Disturbed Areas Analysis” (DAA)
- Dec 18, 2025 - CIRNAC discussed with BIM and identified discrepancies between the 2025 estimate and the 2026 DAA estimate and proposed a path forward through the Interim closure and reclamation plan (ICRP)
- Dec 31, 2025 – Using RECLAIM the 2026 Workplan produced the global security estimate of \$145,328,262:
  - This estimate was based on outstanding issues being addressed through ICRP and a 2 yr Interim Closure and Maintenance (ICM)
- Jan 13, 2026 - The discussions from Dec 18, 2025, were not incorporated into the BIM submission. With the omission of these ICRP commitments CIRNAC estimated full security at \$157,522,324
- Jan 26 – After further discussions with BIM, CIRNAC is supportive of setting security at \$137,786,403 with the understanding:
  - that BIM commits to address the outstanding issues in the ICRP (2026) and increase the ICM back to a minimum of 2 years during the next ASR.





# CIRNAC Security Estimate for 2026 Workplan

Security	Inuit Owned Lands	Crown Lands	Total
BIM ASR Estimate Jan 2026	133,779,426	1,737,087	135,516,503
CIRNAC ASR First Estimate Dec 2025	143,607,115	1,721,147	145,328,262
Revised CIRNAC Estimate Jan 2026	155,718,866	1,803,459	157,522,324
CIRNAC Estimate Feb 2026*	136,111,553	1,674,850	<b>137,786,403</b>

\* Based on conversations with BIM and QIA acceptance of a 1yr ICM and the caveat this includes commitments from BIM in the ICRP





# CIRNAC Revised Estimate as of February 6, 2026

- Based on discussions and commitments by BIM, CIRNAC has updated their recommended security amount to **\$137,786,403, with the following commitments:**
  - to address the outstanding issues in the ICRP (2026) as listed below; and
  - increase the ICM to a minimum of 2 years during the next ASR.

Modification	Cost Increase	Rationale
Fuel Mobilization Labour	\$617,242	Labour hours were excluded for moving fuel from the Mine Site to Milne Port prior to backhaul.
Blended Labour Rates	\$899,433	Two blended labour rates were calculated incorrectly.
Updated Productivity Factor	\$24,499	Productivity factors were set to 1.00 for grading of material for certain line items.
Scaled Indirects, contingency and changes to indirect directs	\$728,726	Increased based on percentages as per the basis of estimate. Includes minor variation due to how the indirect direct costs are calculated.
<b>Summary of Costs</b>	<b>\$2,269,900</b>	Increase includes modifications, scaled indirect and contingency to 2026 workplan.





## Interim Care and Maintenance (ICM) Modifications

- Two years of ICM is the current industry standard. CIRNAC position is that 3 to 5 years is a best practice.
- BIM's ICRP has stated consistently that closure planning and the corresponding ICM duration for the ASR is 2 years.
- CIRNAC's current estimate is reflective of a 1year ICM. We understand that this is acceptable to QIA.
- Further, CIRNAC acknowledges BIM's commitment to increase the ICM duration to a minimum of 2 years.





## Commitments to be included in the ICRP

Modification	Cost Increase	Rationale
Interim Care and Maintenance	\$11,931,984	The ICRP has stated through various revisions that closure planning and the corresponding ICM duration for the ASR is two years. This includes missing flight and camp costs.
Waste Rock Facility Cover Area	\$1,571,829	The area used in the CAPEX for calculating the cover volume did not align with the Disturbed Area Analysis.
Removed Reclaimed Areas	\$55,436	Areas removed from the 2026 Work have not yet been inspected. Verification of any approved progressive reclamation activities must be undertaken prior to any reduction or removal from the Environmental liability Calculation to occur.
Pond Backfilling	\$1,110,452	Several line items removed backfilling of ponds, which deviates from the ICRP.
Liner Removal	\$746,159	Liners were assumed to be left in place instead of being removed as required by the ICRP.
Missing Flight and Camp Costs	\$330,441	Additional flight and camp costs were calculated based on the other modifications.
<b>Summary of Costs</b>	<b>15,746,301</b>	Includes modifications, scaled indirects and contingency





## Conclusion

CIRNAC is remains committed to working with BIM and QIA to develop a mutually agreeable security amount to present to the NWB for consideration

CIRNAC understands that BIM is committed:

- to address the outstanding issues in the ICRP (2026) as listed below; and
- increase the ICM to a minimum of 2 years during the next ASR.

Based on this mutual understanding the resulting recommended security of **\$137,786,403.**



