



April 2, 2026

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RE: QIA Response to 2026 ASR Work Plan Items – Baffinland Request for Approval - License No. 2AM-MRY1325 Type “A”

Following the Qikiqtani Inuit Association’s (‘QIA’) December 16, 2025, Security Determination, Baffinland Iron Mines Inc. (‘Baffinland’) provided QIA with a Notice of Arbitration on January 30, 2026. While both parties continue to engage in technical discussions in advance of prescribed arbitration processes, Baffinland submitted a request for approval to proceed with seven (7), 2026 ASR Work Plan items via the Nunavut Water Board on March 25, 2026.

QIA maintains its approval authority over Baffinland’s Annual Work Plan items in the absence of the posting of reclamation security by January 31st of the calendar year in question, pursuant to the terms of the QIA-Baffinland Commercial Lease¹. Upon reviewing the information provided in Baffinland’s March 25, 2026, request, QIA is providing approval to proceed with all seven (7) Work Plan items contained therein. The full details of this review and approval are presented in the appended memo by M.A. O’Kane Consultants Inc.

Please feel free to contact the undersigned should you have any further questions.

¹ QIA and Baffinland (2013). Commercial Lease No.: Q13C301. September 6, 2013.

Memorandum

To: Conor Goddard – Manager of Project Monitoring and Compliance, Qikiqtani Inuit Association

From: Travis Polkinghorne, Project Coordinator

Cc: Dave Christensen – Okane

Document No: B-955-221-MEM-007

Date: March 27, 2026

Re: **Licence No: 1AM-MRY2540 Type A - 2026 ASR Work Plan Items - Okane Review and Comment**

Baffinland Iron Mines (BIM) submitted request for approval from the Nunavut Water Board (NWB) and Qikiqtani Inuit Association (QIA) to proceed with numerous workplan items during the 2026 construction season¹. The submission included description, costs and rationale for seven separate work plan items. Okane Consultants (Okane) has undertaken review of the submission on behalf of QIA to assess the cost and rationale of each item in addition to verifying that proper security is currently held to account for the items. The purpose of this memorandum is to summarize findings of Okane's assessment for QIA and identify potential issues and clarifying questions.

Proposed 2026 items along with their costs, rationale and Okane comment on each are included below in

¹ BIM 2026. Licence No: 2AM-MRY2540 Type A – 2026 ASR Work Plan Items

Table 1. None of the proposed items present large environmental impacts or risks, however, the rationale for some is unclear. While there remains a discrepancy between Okane's² and BIM's³ 2026 security estimations, BIM's proposed items are accounted for within their \$133,779,000 security estimate, and none of the proposed items relate directly to the discrepancy. QIA currently holds this amount in security, and thus the 2026 Annual Security Arbitration process should not influence items proposed by BIM.

² Okane 2025. 2026 Mary River Security Estimate

³ BIM 2025. 2026 Work Plan

Table 1: BIM Proposed 2026 Work Items and Okane Comment

Work Item ID	Direct Cost Associated	Area (m ²)	BIM Rationale	Okane Comment
2026-1	\$8,660	5,060	Critical to support increased 2026 exploration activity and meet continued exploration growth. Expanding Milne Port's landing space shortens flight paths to exploration sites. Reducing travel distance directly lowers greenhouse gas emissions.	<ul style="list-style-type: none"> Unclear how flight paths are shortened, but possible the expansion provides logistical advantage Minimal environmental risk
2026-2	\$24,098	13,525	Continuation of 2025 emergency works, required to mitigate mine safety risks and address road stability issues.	<ul style="list-style-type: none"> Risks addressed in TRAN submission. Environmental risk is low for increased safety and stability
2026-3	\$23,562	4,000	Environmental measure to improve water treatment of impacted water collected in totes.	<ul style="list-style-type: none"> Environmentally beneficial Low risk to environment Possibly required by regulators
2026-4	\$125,413	72,458	Environmental measure in response to regulatory concerns for the construction of water management infrastructure and final discharge point at KM 105.	<ul style="list-style-type: none"> Likely to improve water quality Response to regulator concern
2026-7	\$785,762	226,994	Mine operational measure to stockpile Non-Acid Generating construction materials to be used for various mine operations projects and for Steensby construction. Environmental benefits through reduction of travel distances and Green House Gas emissions.	<ul style="list-style-type: none"> Unclear how green house gasses (GHGs) will be reduced Environmental risk is minimal
2026-8	\$30,104	17,690	Environmental measure to support closure research. The WRF cover test pad is intended to provide data that will help refine modelling assumptions and closure research.	<ul style="list-style-type: none"> Will help to accelerate reclamation and research program.

Work Item ID	Direct Cost Associated	Area (m ²)	BIM Rationale	Okane Comment
				<ul style="list-style-type: none"> Possible that the cover test pad is constructed from PAG material, could lead to acid-rock drainage from the test pad.
2026-10	\$22,529	13,014	Mine operational measure to expand an area where NAG construction materials would be stockpiled to be used for various mine operations projects and for Steensby construction.	<ul style="list-style-type: none"> Minimal environmental risk. No obvious environmental benefit at this time

We trust information provided in this memorandum is satisfactory for your requirements. Please do not hesitate to contact me at 306 713 1779 or tpolkinghorne@okaneconsultants.com should you have any questions or comments.