March 2026

QIKIQTARJUAQ MARINE INFRASTRUCTURE FINANCIAL SECURITY ASSESSMENT

Project Name: Qikiqtarjuaq Marine Infrastructure

Financial Security Assessment – Quarry and Construction Camp Reclamation
This financial security assessment estimates the potential reclamation liability associated with the quarry and temporary worker camp that will support construction of the Qikiqtarjuaq Marine Infrastructure Project.

The estimate has been developed to reflect the maximum reasonably foreseeable reclamation liability, assuming that project activities were discontinued and that site closure and restoration would be completed by a third-party contractor mobilized to the site.

The assessment considers the costs associated with site abandonment, removal of temporary infrastructure, restoration of disturbed areas, and stabilization of the site to protect water resources and the surrounding environment, consistent with the requirements of the Nunavut Waters Regulations.

The purpose of this assessment is to demonstrate that the scope of reclamation activities has been fully considered and that appropriate financial security can be established to ensure reclamation obligations are met.

Reclamation Approach
Due to the Arctic climate and thin soil conditions typical of the Qikiqtarjuaq area, active revegetation is generally not feasible. Reclamation will therefore focus on restoring disturbed areas to a stable physical condition that supports natural drainage and minimizes long-term environmental risk, consistent with standard northern quarry and construction site closure practices.

Reclamation measures are designed to restore stable drainage patterns and minimize the potential for sediment transport or water quality impacts following closure.

Reclamation activities are expected to include:

- Removal of temporary infrastructure, equipment, fuel storage systems, and camp structures
- Removal and proper disposal of hazardous materials
- Grading and stabilization of quarry faces, benches, and disturbed areas to minimize erosion and ensure long-term physical stability
- Contouring and scaling of exposed rock surfaces where necessary to eliminate unsafe slopes
- Removal or stabilization of temporary access roads where required
- Site cleanup and restoration of drainage patterns to prevent pooling or sediment transport
- Removal of camp foundations, pads, and associated utilities

Many of these activities would occur as part of normal construction demobilization, meaning that portions of the reclamation work would be completed as equipment and temporary facilities are removed from the site at the conclusion of construction.

Following completion of reclamation activities, the site would be inspected to confirm that disturbed areas have been stabilized and that drainage patterns are functioning as intended. Given the absence

of geochemical risks associated with the quarry material, long-term environmental monitoring is not anticipated to be required beyond standard post-closure verification.

Estimated Reclamation Liability

The reclamation liability estimate reflects the maximum anticipated reclamation liability associated with the quarry and temporary construction camp, assuming that closure activities would be undertaken by a third-party contractor under a conservative cost scenario.

Quarry Site: The proposed quarry associated with the Qikiqtarjuaq Marine Infrastructure Project will disturb approximately **37.01 hectares (370,100 m^2)**. Of this area, approximately **13 hectares** represents the active quarry extraction footprint. The remaining disturbed area will be used for temporary aggregate stockpiling, equipment staging, and access routes associated with construction activities.

The quarry material consists of competent bedrock suitable for construction aggregate and is not expected to generate acid rock drainage or other geochemical concerns. As a result, reclamation requirements are expected to focus primarily on site grading, drainage management, and general site clean-up, rather than environmental remediation.

Closure of the quarry area would largely involve recontouring disturbed surfaces to promote stable drainage and prevent localized water accumulation. Many of these activities would occur as part of normal construction demobilization.

During construction, processed aggregate may be stockpiled at the quarry site. As this material retains economic value as construction aggregate, the potential value of these stockpiles has been considered in assessing overall reclamation liability. In a scenario where closure activities were required prior to project completion, the value of these materials could reasonably contribute toward the costs associated with completing reclamation work.

The quarry reclamation cost assumes approximately one week of equipment and labour to complete grading, stabilization, and site clean-up activities using standard construction equipment already mobilized to the project area.

Temporary Camp Site: A temporary worker camp covering approximately **0.4 hectares (4,000 m^2)** will be established to support construction activities.

Closure of the camp would involve standard demobilization measures, including removal of temporary buildings, utilities, fuel storage systems, and waste management infrastructure, followed by site grading and clean-up.

These activities would occur concurrently with quarry demobilization and would utilize the same construction equipment already mobilized to the site for earthworks and grading.

Accommodation units and associated equipment may be repurposed to support future port operations or relocated for use elsewhere.

Certain camp infrastructure may also retain residual operational or salvage value following the construction phase. This potential residual value further supports the ability to complete site closure activities if required.

Disturbance Area	**Quantity (Unit)**	**Unit Rate**	**Subtotal**
Quarry Site: Recontouring Disturbed Surfaces and General Site Clean-up	7 (days)	$6,000	$42,000
Temporary Camp Site: Removal of Structures and General Site Clean-up	0.4 (hectares)	$9.50 / m^2	$38,000
Subtotal			**$80,000**
Contingency factor (15%)			$12,000
Total			**$92,000**

Unit costs used in this estimate are derived from typical quarry closure and northern construction site reclamation cost frameworks and include allowances for equipment, labour, grading, and site clean-up. A contingency factor has been applied to account for potential variability in closure activities.

Conclusion

This assessment accounts for all activities required to return the quarry and temporary camp areas to a safe and stable condition.

The estimated reclamation liability reflects conservative assumptions and considers the full scope of closure activities. At the same time, the overall reclamation requirements are limited due to:

- the absence of geochemical contamination risks
- the fact that many closure activities occur during normal construction demobilization
- the retained value of construction aggregate and certain temporary infrastructure

Taken together, these factors indicate that reclamation of the quarry and temporary camp areas can be completed using standard northern construction practices and that the associated reclamation liability is manageable and well understood.

The estimate therefore provides a reasonable and conservative basis for establishing financial security sufficient to ensure that reclamation obligations can be completed and that water resources and surrounding lands are protected in the event that project closure occurs.