

B2GOLD CORP.

Suite 3400, Park Place, 666 Burrard Street
Vancouver, British Columbia, Canada, V6C 2X8
Telephone: +1 604 681 8371
www.b2gold.com



MEMO

From	Merle Keefe (Manager, Environment, B2Gold Nunavut)
To	Andrew Keim (Manager, Water Resources CIRNAC); Bill Pain (Environmental Scientist, GNWT); Richard Dwyer (Manager of Licensing, NWB)
Date	30 May 2025
Subject	RECLAIM Model Version 8 Update - Follow-Up Initial Review Comments

Dear Mr. Keim, Mr. Pain, and Mr. Dwyer,

In January 2025, the Federal Government and the Government of the Northwest Territories introduced a draft update of the RECLAIM financial model used for determining reclamation security requirements for mining projects in Nunavut and the Northwest Territories. Since that time, information has been provided by the governments and initial feedback has been provided by B2Gold Back River Corp. (B2Gold Nunavut), other northern mine operators, and industry, community and Indigenous organizations. The on-line review registries of the Water Boards of Nunavut and Northwest Territories are being used as a means of exchanging written feedback with the governments; however, we understand that this is not a Water Board review process.

B2Gold Nunavut is actively engaged with the governments both independently and with the NWT & NWT Chamber of Mines to demonstrate that the proposed cost increases are of concern and that the increases are not well understood or are, based on preliminary evaluation, potentially unfounded and a strong disincentive for exploration and resources development in Canada's Arctic.

Fulsome government-industry engagement has not yet completed but is critical to developing workable solutions that align with over-arching government policy, protect the public interest, and provide for a sustainable northern mining industry with attendant socio-economic benefits. B2Gold Nunavut is advocating for government-industry engagement that will allow industry time to fully evaluate the proposed cost increases and to then collaborate with government and other parties on alternative approaches that will achieve the objectives of all parties.

As requested by the governments, we have prepared the attached comments and recommendations based on the information provided to date and our preliminary reviews. Our comments remain preliminary and are organized into topics of most importance to B2Gold Nunavut. Our understanding is that the governments are amending the engagement and implementation timeline and that these comments are interim in nature with more engagement to be conducted in future.

B2Gold Nunavut's initial feedback to government to date has aligned with other northern mine operators and the NWT & NU Chamber of Mines, with the following themes:

- There will be immediate and significant cost increases for the Goose Gold Mine

- The viability of some northern mining projects, including the Back River Gold District, may be affected by the cost increase
- B2Gold Nunavut has not had time to fully understand the presented changes
- B2Gold Nunavut's preliminary evaluation finds that amendment of draft Version 8 is required to ensure transparent, defensible and appropriate security requirements
- Fulsome industry engagement is essential to developing workable outcomes
- Policy that provides direction for development and implementation of security requirements should be updated at the same time
- There is no apparent urgency to implement an update of the RECLAIM model

Issue: Status of Review Comments

B2Gold Nunavut and numerous other parties provided initial review comments in March 2025 as per the requested timeline. Since that time, some new information has been provided but there has been no response to those comments from the governments. We understand that a response is planned for June. Nevertheless, as requested B2Gold Nunavut is providing these follow-up initial review comments. These follow-up comments should not be considered "second-round" comments as this is not a typical Water Board review process. This issue was raised by industry representatives and acknowledged by the governments on an engagement Zoom meeting on May 14.

Recommendations:

- These follow-up comments should not be considered "second-round" comments.
- Governments should provide to those involved in this process the detailed information requested to date to aid in review of the proposed changes.

Issue: Engagement and Implementation Timeline

It has not been made clear by the governments that an update of the RECLAIM model is necessary at this time. However, if an update is deemed necessary it must, in B2Gold Nunavut's view, be generated from a collaborative approach with fulsome engagement with the northern mining industry, Indigenous organizations and communities. A collaborative approach will address the significant concerns that have been raised by industry reviewers based on quick reviews completed within the prescribed restricted timeframe. B2Gold Nunavut acknowledges that the governments have recently (May 14 teleconference meeting) indicated a willingness to hold technical workshops in 2025 and defer the initially stated implementation timeline in response to feedback received to date.

Recommendations

- An update to Version 8 of the RECLAIM model should not be implemented in 2025.
- Fulsome engagement with industry should be continue and be based on a collaborative approach and that includes technical workshops

- A technical workshop or other meetings related to this topic should not be scheduled during the summer field season

Issue: Cost Increases

B2Gold Nunavut has completed initial evaluations, which identified fundamental costing concerns that require further review, engagement and amendment, including:

- Large magnitude increase in unit costs for:
 - Soil/Tailings excavation
 - Winter road construction/maintenance
 - Rock cover at WRSAs
 - Pipeline relocation or removal with on-site disposal
- Increased bulk contingency factor with no provision for variable contingency according to level of design detail for various mine components
- Newly introduced inflation calculation for ICM and post-closure periods
- Inclusion of new cost items as a percentage of capital costs where there is no dependency on capital budget, e.g:
 - HHERA, FCRP, owner's representative, engagement and regulatory compliance
- No provision for staged reduction in costing through the post-closure period

Recommendations:

- Detailed supporting information should be provided for all unit rates and costs.
- Annual inflation of post-closure costs should be removed or replaced with a net discounting factor.
- Annual inflation of capital costs at a pre-determined elevated rate through a government take-over period should be removed.
- New cost items that are proposed as a percentage of capital but are not dependent on capital spend should be removed or costed as discrete costs.

Issue: Policy and Implementation

The governments have not acknowledged different implementation needs for new projects versus existing secured projects. Existing secured projects, such as the Goose Gold Mine have established security requirements that are embedded into operational plans and business decision making. An Implementation Plan has not been provided, and this results in elevated business uncertainty for established mine operators who may have invested in and received approval of site-specific costing factors and are not faced with the possibility of substantive immediate increases in security. B2Gold

Nunavut has identified critical policy/implementation concerns that require further review, engagement and amendment, including:

- Absence of provisions for continued use of existing site-specific unit rates
- Absence of provisions for actively mitigating the immediate financial impacts of cost increases
- Absence of connectivity and apparent misalignment with over-arching government policy and strategic plans working towards a sustainable northern mining industry
- Absence of linkage to the Government of Nunavut as regards future ownership of government policy regarding mining and reclamation security through Devolution

Recommendations:

- A RECLAIM model implementation plan should be prepared that acknowledges differing implementation plans for new and existing secured projects and that provides specific provision for existing secured projects, including:
 - continued use of existing approved site-specific unit rates
 - actively mitigating the immediate financial impacts of cost increases
- Directive Government Policy related to reclamation security should be reviewed and updated to provide a current approach for development and implementation of security requirements that is relevant and aligned with current socio-economic planning and over-arching government policy and including implications related to Devolution for Nunavut.

Sincerely,

Merle Keefe
Manager, Environment



C: +1 902 318 5671

T: +1 604 681 8371

F: +1 604 681 6209