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Qikiqtani Inuit Association

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Serving the communities of

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Clyde River

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Sanirajak

September 9, 2025

William Bowden
Environmental Manager
Baffinland Iron Mines Corporation
360 Oakville Place Drive, Suite 300
Oakville, ON L6H 6K8
William.Bowden@baffinland.com

RE: Mary River Project – Qikiqtani Inuit Association June 2025, 1st Annual Environmental Inspection Findings and Recommendations

Dear Mr. Bowden,

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease¹ No.: Q13C301 (CPL), issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), the QIA conducted a Site Inspection (Inspection) of the Mary River Mine (Project) in June 2025. Assol Kubeisinova of QIA conducted the inspection with technical support provided by Mitchell Kay of LGL Ltd. An overview of the inspectors' findings and recommendations is provided below.

The June 2025 Environmental Inspection Report has been appended to this letter for Baffinland's reference. Requested actions are outlined in the table found on pages 15 through 24 of the report.

If you have any questions or would like to discuss details, please feel free to contact me at your earliest convenience.

Nakurmiik,

Conor Goddard
Manager, Project Compliance and Monitoring
Qikiqtani Inuit Association
(P) 867.975.8385 or toll-free 1.800.667.2742
cgoddard@qia.ca

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

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From: Mitchell Kay, Senior Aquatic Scientist, LGL Limited
Joseph Cavallo, Senior Biologist, LGL Limited

Date: 04 September 2025

RE: Water License 2AM-MRY1325 – Mary River Project Follow up Report to June 2025
Environmental Inspection

1 Introduction

Consistent with requirements under Schedule E, Item 12 of the Commercial Lease issued to Baffinland Iron Mines Corporation (Baffinland) by the Qikiqtani Inuit Association (QIA), LGL Limited (LGL) along with QIA representative Assol Kubeisinova conducted a scheduled Environmental Inspection (Inspection) of the Mary River Mine on June 18th and June 19th. Dr. Mitchell Kay conducted the Inspection from LGL. This was the first inspection of 2025 and will be followed subsequently by a second inspection during September 2025.

The governing objective of this report is to identify issues that in any way undermine or compromise QIA's mission to safeguard "the land, waters and resources" that sustain Qikiqtani Inuit within the Inuit homeland. An overview of the Inspectors' findings and requested actions are provided below. Photographs associated with the findings and requested actions made by LGL are provided in Appendix A.

2 Review of Reports

The following reports were received and reviewed prior to and following the completion of the Inspection. A quick summary produced by Baffinland is provided for each report.

KM105 Pond Seepage Update; Follow-Up Spill #2024-151 – January 22nd, 2025; Water Licence No.2AM-MRY1325

- The KM 105 Surface Water Management Pond (KM 105 Pond) was constructed as a key component of Baffinland's efforts to improve water management in accordance with Water Licence Modification No. 13, submitted to the Nunavut Water Board (NWB) on June 30, 2021. This modification aimed to address previous sedimentation issues observed at Deposit 1. Modification No. 13 was an adaptive management measure supported by a significant capital investment by Baffinland to better manage runoff from the Deposit, Mine Haul Road and surrounding hillside. Construction of the KM 105 Pond was completed in June 2022, and the facility was immediately commissioned to manage freshet runoff.

- Design parameters for the KM 105 Pond were intended to achieve adequate settling of total suspended solids (TSS) to meet Metal and Diamond Mining Effluent Regulations (MDMER) and Water Licence discharge criteria following 3 days of retention. However, the KM 105 Pond has not performed as expected and settling performance observed during 2022, 2023 and 2024 freshet periods did not meet the design intent.
- In response, Baffinland undertook a comprehensive evaluation of the KM 105 Pond's performance. This involved engaging with third-party engineers and water treatment experts to identify and assess potential mitigations and improvements. These consultations previously focused on identifying remediation measures for the dam structure and exploring strategies to enhance settling efficiency and improve water quality prior to discharge, to ensure compliance with regulatory criteria.

Information Request No. 1 – June 2025 Environmental Inspection (QIA); April 8th, 2025

- This Information Request is being issued by the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (Baffinland) with respect to the June 2025 Environmental Inspection as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). Table 1 provides a list of Information Requests. A response is requested by April 29, 2025, unless otherwise specified. QIA requests that Baffinland include a status update of items not provided by this date.

Information Request No. 1 – June 2025 Environmental Inspection BIM's Response; June 16th, 2025

The following correspondence from Baffinland Iron Mines Corporation (Baffinland) is a follow up in response to the Qikiqtani Inuit Association (QIA) with respect to the *Information Request No. 1 – June 2025 Environmental Inspection* as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The attached Table 1 provides a summary of the QIA's information requests and Baffinland's responses.

MSC Laundry Lift Station; Follow-Up to Spill #2025-145 – April 29th, 2025; Water Licence No.2AM-MRY1325

- While conducting scheduled inspections on March 29th, 2025, a housing maintainer observed a flashing warning light signalling for the lift station at the Mine Site Complex (MSC) laundry room. Upon further investigation he discovered that the amperage overload breaker for the low-level pump had tripped, rendering the pump non-operational. The high-level pump was also found to be inactive, though it was noted that the fluid level was insufficient to trigger the high-level pump float. Following this, the maintainer observed frozen untreated sewage near the lift station, estimated to be 195 litres in volume. The maintainer activated both pumps to reduce the fluid level in the tank to prevent the potential for a similar occurrence. The spill was contained to an area of approximately 12.2m² and was located approximately 550 meters away from the nearest water body, Sheardown Lake, which was currently frozen.

Information Request No. 2 – June 2025 Environmental Inspection (QIA); May 26th, 2025

- This Information Request is being issued by the Qikiqtani Inuit Association (QIA) to Baffinland Iron Mines Corporation (Baffinland) with respect to the June 2025 Environmental Inspection as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The information is requested with respect to the two (2) Initial Spill Notifications received May 24, 2025, concerning high TSS releases at KM105 Dam, SDLT, CLT, CLSP and LDGF.

Information Request No. 2 – June 2025 Environmental Inspection BIM's Response; June 4th, 2025

- The following correspondence from Baffinland Iron Mines Corporation (Baffinland) is a follow up in response to the Qikiqtani Inuit Association (QIA) with respect to the *Information Request No. 2 – June 2025 Environmental Inspection* as per the QIA-Baffinland Commercial Lease No.: Q13C301 (Lease). The attached Table 1 provides a summary of the QIA's information requests and Baffinland's responses.

Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202 – June 1st, 2025; Water Licence No.2AM-MRY1325

- On May 4th, an arctic diesel release occurred at the Milne Port Site Services laydown area from parked mobile fuel truck FLT020 when the main fuel product hose became dislodged from its fitting on the fuel truck. Approximately 1,850 liters of arctic diesel was released onto the ground in the immediate vicinity of the fuel truck. The spill was contained to an area of approximately 164.4m² on the laydown, located approximately 388m away from the nearest water body, Milne Inlet, which is currently frozen.

KM 106 Ore Stockpile Facility Contact Water; June 7th, 2025; Water Licence No.2AM-MRY1325

- On June 6th, 2025, at approximately 12:45pm, personnel observed contact water from the Km 106 Ore Stockpile bypassing the diversion berm and being released to the tundra. The water is now being redirected to a containment sump and is being transferred to the facilities containment area. Remedial actions to address the source are underway. The release did not migrate from the immediate vicinity downstream of the diversion berm and has not entered the receiving environment. Initial field readings of the release indicate elevated levels of TSS in exceedance of the applicable water license and MDMER criteria. Water quality monitoring and corrective actions will be presented in the follow-up report. The incident occurred on IOL located approximately 300 meters from Mary River, the nearest fish bearing waters. This spill is being reported as required by the conditions of water license no. 2AM-MRY1325, Part H, item 9(b) and section 31 of the Metal and Diamond Mining Effluent Regulations under the Fisheries Act.

Baffinland Blocked Culvert Notification; Blocked Culvert in fish-bearing waters – June 18th 2025; Water Licence No.2AM-MRY1325

- Baffinland has discovered what may be an after-effect of the unprecedented 1 in 1000 year rainfall the Mary River Operation experienced in September, 2024. Following the spring thaw, it has become evident a complete blockage of the culverts at crossing CV-187, which is identified as a fish-bearing crossing has occurred, due to an apparent internal collapse. CV-187 was constructed in May 2008, with one 900mm and one 600mm culverts installed. Both culverts are completely blocked with no way to clean them out.

2025 Freshet Locations SDLT, CLT, CLSP, LDFG; Follow-up to Spill #2025-227 – June 23rd, 2025; Water Licence No.2AM-MRY1325

- On May 23 and 24, 2025, as part of the Freshet Monitoring Program, water was observed flowing at Freshet outflow monitoring locations. Samples collected at the outfall locations of Sheardown Lake Tributary (SDLT), Camp Lake Settling Pond (CLSP), and Camp Lake Tributary (CLT) monitoring locations confirmed elevated concentrations of Total Suspended Solids (TSS). Samples for Landfill Gate tributary (LDFG) returned results that were not elevated, and the sample site has been removed from the follow up report. During this period, warming temperatures resulted in snowmelt runoff containing sediment laden water to enter the affected watercourses over a brief period of time. In accordance with the Surface Water Aquatic Effects Management Plan and the Snow Management Plan, sedimentation mitigation measures were implemented to settle sediments prior to entering the receiving environment.
- Monitoring of water quality and daily inspections, including YSI readings, of monitoring locations is conducted throughout freshet. Details of the CLT-OUT, SDLT-OUT, and CLSP-OUT sampling locations are provided in Table 1 and the Mine Site freshet monitoring locations figure in Attachment 2. TSS results for sampling conducted at SDLT-OUT, CLT-OUT, and CLSP-OUT are summarized in Table 2. Photos of the sampling locations are provided in Attachment 1. The sediment-laden water exceedances, reported to the NT-NU Spills Reporting Line as Spill #2025-227 on May 24 is provided in Attachment 3.

2025 Km 105 Pond; Follow-up to Spill #2025-226 – June 23rd, 2025; Water Licence No.2AM-MRY1325

- On May 22, 2025, water was observed flowing at the proposed MS-11 discharge location (MS-11), situated downstream of the Km 105 valley water management infrastructure (KM105 Pond). In accordance with applicable monitoring requirements, effluent characterisation and acute lethality testing was conducted

and submitted to an accredited third-party laboratory for analysis. Preliminary results identified elevated Total Suspended Solids (TSS), with a measured concentration of 31.2 mg/L on May 24th, 2025. Further, on May 24th, in response to receiving the elevated TSS result, water quality characterization and an acute toxicity sample was taken at the downstream receiving location of D1-05; the water quality was not acutely toxic. The exceedance occurred on Inuit owned land approximately 350m from water quality station D1-05, the nearest fish bearing water.

3 Site Inspection Observations

Dr. Mitchell Kay and Assol arrived at site on the evening of Tuesday June 17th and departed on the morning of Friday June 20th. Dr. Kay and Assol were escorted by a member of Baffinland's Site Service Department, William (Bill) Bowden, Environmental Manager. The evening of June 17th was used to review the schedule developed by Baffinland with input from QIA/LGL prior to the inspection. The first day was focused on the infrastructure located on the mine site around Sailiivik Camp (also referred to as the Mary River Mine site) while the second day evaluated the Tote Road and the infrastructure located at Milne Port. Special attention was given to regions of the project area that were affected by the unprecedented rain event during September 2024 and issues identified during previous inspections.

The weather hovered around 0 °C and was mostly sunny during the two-day inspection. There were no visibility issues due to rain or fog, which provided opportunity to conduct a thorough inspection of the project area. The Inspection started at ~7:00 am on June 18th. The Inspectors (Dr. Kay and Assol) and Bill were joined by Jessy St-Amour and Shannon Mulhall from Baffinland during the first and second day, respectively. Both Jessy and Shannon were the same personnel who supported Todd Swenson on the unscheduled inspection during October 2024 and continued to provide key insights to ongoing operations and follow up actions to the unprecedented rain event.

3.1 Waste Rock Facility

On the morning of June 18th, the Inspectors travelled with Bill and Jessy via light duty truck from Sailiivik Camp to the waste rock facility at the top of the mountain. Visibility hampered the evaluation of the waste rock facility during the October 1st, 2024, unscheduled inspection, but clear conditions allowed for examination of the pond, treatment facility and surrounding tundra. On the way to the top of the mountain, dust was observed blowing from the mine haul road to the point where it was difficult to see the road in front of the light duty truck. While travelling up the mountain, the new aggregate pad could be viewed and was evaluated during the crusher pad inspection. There was no change in the location of the potentially acid generating rock. The Waste Rock Facility (WRF) Surface Water Management Pond (SWMP) was not actively discharging because the spring freshet had not happened yet at the top of the mountain compared to other regions of the project area. The pond and mountain were still snow covered. Rough estimates suggested the temperature was 5 to 7 °C colder at the top of the mountain than at Sailiivik Camp. In preparation for the spring 2025 freshet, Baffinland purchased more pumps to ensure adequate amounts at each pond. The pump was not running during the Inspection, but water samples were being collected weekly from the pond to measure concentrations of TSS and other water quality parameters. Two new silt curtains were installed at the middle and far side of the larger waste rock facility pond, which should help reduce the turbidity of the water being discharged. The Inspectors asked Bill if the waste rock facility liner was going to be tested for leaks as it was identified during a previous inspection there could be a leak. There are no current plans to test the liner as Baffinland would like to do additional testing on the groundwater in the region. The seepage, from either groundwater or surface water leakage is being pumped actively back into the pond from the ditch system around the pond. It was anticipated, the smaller pond will be pumped into the bigger pond during the freshet to help control discharge and minimize potential for erosion or spills.

The waste rock treatment facility was online, which has not been the case during the previous two inspections (unscheduled and second annual inspection during fall 2024). Baffinland will be dosing the water with ferric acid,

lime and a polymer flocculant based on the water quality measurements. The retention time of the water is based on the flow, which is rated at ~220 m³/hr. A new pressure transducer was installed at the waste rock facility to track the flow in and flow out, which has been identified previously as a gap. The new pressure transducer and addition of external pumps should enable Baffinland to be more proactive in their mitigation plans at the waste rock facility. For example, during the unprecedented rain event, there were not enough pumps on site to control the water. This led to Baffinland prioritizing regions of the project area and having to move pumps around instead of having an adequate number to cover the entire project area. Bill also informed the Inspectors that the service road to the waste rock facility was open during the winter, which has not been the case previously. This allowed for winter maintenance to occur on the facility.

3.2 KM106.5

During the September 2024 inspection, the environmental inspectors noticed sediment-laden runoff originating from up-slope on the mountain and running into the north ditch of the haul road at KM106.5. The sediment laden water was visibly turbid. A noticeable increase in turbidity was observed when sediment laden water mixed with the relatively clear runoff from the haul road ditch. Baffinland followed up with a report that included drone imagery of where the sediment-laden runoff was originating. During the June 2025 inspection, the Inspectors stopped at the same location but did not observe sediment-laden runoff. The water flowing through the mine haul road ditches was clear with no signs of elevated concentrations of TSS. The Inspectors stopped at two locations in this region to confirm concentrations of TSS were not elevated.

3.3 KM106

There were no observed changes to the ore stockpile located at KM106 SWMP. Baffinland has continued to follow recommendations from previous inspections to pile fine sediment in locations less likely to cause large-scale erosional events. As reported above, contact water from the KM106 ore stockpile bypassed the diversion berm and was released to the tundra on June 6th, 2025. The report indicated concentrations of TSS were elevated above the applicable water license and MDMER criteria. The spill location was examined by the Inspectors, which was contained to the ditch on the side of the service road along the stockpile and pumped directly into the KM106 SWMP. The water did not enter the tundra region outside of the project area or the Mary River as suggested potentially during the report. The Inspectors and BIM staff discussed the importance of clarity and careful descriptions of events for future spill reports to ensure QIA staff, regulators, government officials and LGL receive the information clearly and effectively.

There was no overflow during the spring freshet at the KM106 SWMP, and the water was low. The pond was not being discharged actively, but samples were collected regularly to monitor the water quality parameters. The priority communicated by Baffinland was to discharge the crusher pond prior to the KM106 pond. There were no reported issues with the liner of the KM106 SWMP. The Inspectors accompanied by Bill and Jessy walked around the area surrounding the pond. The spillway has not been activated and there was no evidence of sediment in between the rocks. However, as with other project areas there was noticeable dust deposition on the tundra beside the spillway and the slope leading down towards Mary River. An arctic fox was spotted on the project area at the KM106 ore stockpile.

3.4 KM105 Infrastructure

3.4.1 Upstream Chemical Dosing Location

While descending the mountain, the Inspectors stopped at the chemical dosing location upstream of the KM105 infrastructure. There were still noticeable signs of the rain event as water continued to flow around the dosing station due to a flow path developed during the September 2024 unprecedented rain event. Baffinland has changed the operation of the chemical dosing station as lime and ferric acid were no longer being added to the contact

water. Only polymer flocculant was being added. Bill and Jessy indicated this operational change was because Baffinland was having trouble balancing the chemicals properly and testing onsite demonstrated polymer was performing extremely well without the lime and ferric acid. As described in the 'KM105 Pond Seepage Update' report, the grout used to fill voids causing the seepage was not sealing the dam, which resulted in water leaking through the KM105 dam. Additionally, the grout was rapidly increasing the pH of the water due to the interaction. This was recorded numerous times by Baffinland in their environmental monitoring reports. Based on the data collected during the 2025 freshet, most of the grout was 'flushed' last year and the pH of the water appears to be relatively stable compared to last year. The Inspector (Assol) requested Baffinland conduct more thorough monitoring upstream and downstream of the dosing station to ensure the quantity of polymer added the contact water is accurate. Currently, a jar test is being completed every 6 hours upstream and downstream of the dosing station. Additionally, some crates of lime were not labelled fully, which is a health and safety risk to workers and inspectors on site. Unlabelled crates and containers were also identified at numerous locations described below in further detail.

3.4.2 Filter berm

The Inspectors proceeded to the newly constructed filter berms downstream of the chemical dosing station, which were categorized as a trial run during the 2025 monitoring season. The filter berm was not designed by an engineer and there are no formal drawings, but Baffinland committed to designing a proper engineered filter berm if the results from this year were unfavourable. The upstream section of the filter berm was geotextile; the middle section was a finer aggregate and the downstream was coarser aggregate. There were additional smaller filter berms constructed upstream of the larger filter berm inspected. Based on preliminary results, it appears the filter berm system was performing well, but this may be a product of a slower freshet than previous years. The Inspectors asked Baffinland if there was a plan to deal with the build-up of sediment upstream of the filter berm and within the interstitial spaces of the filter berm. Additionally, the Inspectors asked Baffinland if there were concerns about having water bypass the system similarly to the KM105 dam.

3.4.3 KM105 Pond

The KM105 dam looked similar to previous years but was no longer being relied upon as the single source of treatment. Effectively, KM105 dam is now a large-scale filter berm due to the porous nature of the infrastructure. The water was passing through (under) the dam and flowing into the culvert similarly to previous inspections, but a notable difference was the colour of the water. During the June 2025 inspection, the turbidity of the water was visually much lower than previous inspections as the water has been very turbid. There was no pumping of the water back or use of the geotube/filter bag because the water quality was much improved. As described above, a large challenge for Baffinland in addition to the turbidity was high levels of pH. Due to no longer adding lime and ferric acid and flushing of the grout, it appears the levels of pH in the water have stabilized. There continues to be challenges with the KM105 water treatment plant constructed during 2024 and due to these challenges, the treatment plant was not incorporated into the spring freshet water and sediment management plan. Overall, Baffinland has started to adapt a treatment train approach including multiple treatment locations, which was recommended during previous inspections by inspectors. LGL believes multiple lines of treatment and controlling at the source is the best approach forward.

3.4.4 Polishing pond and final discharge point

At the polishing pond located 300 meters downstream of the KM105 Dam and behind the MSC (See KM 105 Pond Seepage Report for further details on location), a new silt curtain was added in addition to the original one. Baffinland viewed these silt curtains as an extra precaution and anticipates the filter berms will be doing the majority of the treatment. The final discharge point is the same as described in the 'KM105 Pond Seepage Update' report, which has two silt curtains installed. Baffinland suggested this location may have similar challenges as KM105 due to the slopes being the same as the upstream location. Baffinland will not be building another pond at

this location, which was rationalized by lessons learned from the KM105 dam and pond system. However, Baffinland will be monitoring the water quality rigorously at this flow through location. The engineered structure at the final discharge point will be installed as soon as possible, but as discussed on site Baffinland cannot expose the permafrost on the slopes. Exposure of permafrost will lead to the same problems as at KM105. Thus, a weir may not be possible because they cannot excavate the area. Discussions are ongoing internally at Baffinland to develop the best possible solution based on knowledge gained from KM105.

3.5 Crusher Pad

A complete inspection of the crusher pad was conducted by the Inspectors. The inspection of the pad started at the Crusher Surface Water Management Pond, and the Inspectors were escorted by the superintendent of the crusher pad (Spencer Stinson). The Crusher Surface Water Management Pond was not discharging water during or prior to the inspection because the water quality (concentration of TSS) did not meet the discharge requirements. The ditching system was pumping water from the pad area back into the pond. Baffinland anticipated the crusher pad would be ready to discharge shortly and it was scheduled to be the next pond discharged. The pond as whole received very little water as it was mainly collecting rainwater.

The Inspectors continued to the new crusher laydown, which started construction during the winter months. The crusher laydown was not completed yet but was still on schedule. The service road between the crusher pad and the crusher laydown was sloped towards the crusher pad to ensure any runoff from the crusher pad was not reaching the crusher laydown and leaving the crusher pad project area. Baffinland explained the construction of the slope was because the crusher pad and crusher laydown have two different regulations. The crusher pad is under the MDMER regulation while the new crusher laydown is not. The inspectors walked around the crusher laydown but no major findings to report besides construction and piling of aggregate is ongoing.

All three of the crushers (Crusher A, Crusher B and Crusher C) were operational during the inspection. Crusher A was crushing class 1 material while Crusher B and Crusher C were crushing class 3 material. Specifically, Crusher C was currently crushing aggregate used for the new aggregate pad. Active dust suppression measures were installed fully at Crusher C while only installed partially at Crusher B. Dust suppression and anti-freeze were applied during the winter while during the summer only water will be applied. Baffinland described the winter as the most challenging season for the crusher pad and dust control because more dust is generated than other seasons. Baffinland experimented with different application point during the winter in an attempt to optimize the process and reduce dust.

Baffinland anticipates the addition of more crushers with the expansion of the Steensby rail line, which may produce further challenges with dust suppression. A couple different options were explored such as lowering the conveyer belts, flaps and other mechanical adjustments, but overall Baffinland believes the strategy at the crusher pad will need to be adjusted to account for the increased workload. An emphasis has been placed on uptime of the crushers instead of throughput, which led to the infrastructure breaking and malfunctioning regularly. Baffinland is committing to proper maintenance of the equipment and understanding why the machinery is not functioning as intended versus previous approaches, which were to just discard the broken equipment. A large component of the change of strategy is related to Baffinland's need to crush more aggregate during the next couple of years as aggregate will be needed for infrastructure projects associated with Steensby. There are no updated plans for dust management with the aggregate crushing. It was slightly unclear, but Dr. Kay believes it was communicated that dust data collected during 2025 from Purple Air Monitors at the crusher pad will inform ongoing management plans for aggregate crushing. Nonetheless it was agreed that aggregate crushing will produce more dust than ore crushing and a robust monitoring and management plan needs to be in place for these activities. Assol identified a couple totes of hydrocarbons without a spill tray, which was communicated to Baffinland during the close out meeting and likely has been rectified prior to the submission of this report.

3.6 Region Sheardown Tributary behind Sailiivik Camp

3.6.1 CV187

After the crusher pad inspection, the Inspectors travelled to the region behind Sailiivik Camp, which has long been a key stop on the inspection. Before the inspection, Baffinland communicated through the 'Baffinland Blocked Culvert Notification' that CV187 was blocked. There were two culverts at this crossing installed during 2008. Both of the culverts collapsed internally during the winter and spring freshet, which was an impediment to fish passage. During the spring freshet, Baffinland was pumping water across the road. This approach helped with water management, however, still blocked fish passage. The inspection of the blocked culvert occurred on June 18th but was slated to be repaired on June 21st only three days after the inspection. This was further communicated by email to QIA and should be evaluated during the August 2025 inspection to ensure technical accuracy. Both Stantec and DFO were involved in the culvert reconstruction prior to construction on site. During the inspection of the culvert CV187, Dr. Kay asked specifically about plans for future geotechnical drilling in the tundra beside Sailiivik Camp as there were ongoing operations during 2024. The drilling logs were included in the annual report and there are no plans for future drilling because of permafrost below the tundra.

3.6.2 Sheardown Tributary

Generally, the water quality behind Sailiivik Camp at Sheardown Tributary was the clearest (low turbidity) Dr. Kay has observed visually during any inspection. There were likely a couple reasons for the improved water quality. First, Baffinland has reduced the use of silt fences through this region and increased the amount of coir logs as requested by Dr. Kay during the October unscheduled inspection and LGL inspectors during previous inspections. Secondly, the improvements made during the 2025 spring freshet at the KM105 infrastructure. Thirdly, Baffinland modified their snow management plan to ensure snow was not being pushed into the tributary, which was demonstrated to negatively influence water quality (see LGL June 2024 Report). The largest modification to the snow management plan was to excavate the snow from this region instead of plowing or clearing. The Inspectors discussed with Bill the S-bend behind Sailiivik Camp being at a lower elevation than the surrounding area, which results in erosion of sediment into Sheardown Tributary. A strategy discussed was to potentially setup a pump system to pump the water out of this region to Camp Lake Tributary. Further water treatment facilities would be installed but this may alleviate some of the erosion through this depression on the landscape. Additionally, Baffinland will be testing geo cells behind Sailiivik Camp. The geo cells are a woven structure composed of rubber tires inserted directly into the road and hopefully will further reduce erosion.

Culvert 88, located behind Sailiivik Camp, was collapsed internally but still allowed some water to flow. There were no plans to replace this specific culvert. Further downstream near the confluence of Sheardown Tributary and Sheardown Lake there were no signs of erosion on the banks following the spring freshet. The lack of erosion at this key confluence likely supports Baffinland's hypothesis of a pretty slow melt compared to previous years. There was still ice of lake, but there was water flowing into the lake and the edge of the lake was clear. The silt curtain was functional but does need to be reset at the mouth of the tributary and likely could use some quick repairs to ensure structural integrity.

3.7 Camp Lake

Camp Lake was still frozen during the inspection. There was some melt occurring around the edges of the lake similar to Sheardown Lake but no major findings to report. The check dams around Camp Lake may need to be cleaned out eventually due to sediment build up but this was discussed with Bill as not an urgent issue. The armouring still looks good and there were no structural integrity issues to present.

3.8 General Site Operations at Sailiivik Camp

The last part of June 18th was dedicated to inspecting general infrastructure on site. In addition to Bill, Eli Lannelli the superintendent from Site Services escorted the Inspectors through key infrastructure. An overarching comment from Eli while we were driving was recently there has been a strong focus on removing assets from site that are no longer in use. Previously, Baffinland's opinion was to keep all assets on site as they may need them for future projects or endeavours. For example, old equipment will be shipped south in sea cans instead of piled on site or some of the old tents will be dismantled as they are no in use.

The first stop with Eli was at the oil/water separator located close to the environmental service tent and far side of the airport. The Inspectors (Assol) noticed there were totes in standing water, which were unlabelled. Baffinland agreed and stated the totes would be labelled quickly after the conclusion of the inspection. The oil/water separator was working as intended and there was a nearby groundwater well that is sampled annually to evaluate groundwater quality. The pump discharges the clean water at a rate of 20 gallons per minute onto the tundra. Water quality samples are collected from the end of the pipe.

The other infrastructure inspected with Eli was the wastewater treatment plant, landfill, landfarm, incinerator and sewage plant. The Inspectors appreciated the effort and time taken to meet, but there were no major findings to report from these locations. Of interest, the landfill was expanded to zone three and there is a request for proposal out for consultation services for designs of zones four and five. A minor note from the Inspectors (Assol), was regions of the landfill had large volumes of standing water that could be negatively effected by the landfill. We requested Baffinland pump this water to a different location. Additionally at the land farm located beside the landfill, the soil from the spill documented in the 'Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202' report was bagged and piled here. There were no current plans, but the Inspectors were reassured by Baffinland monitoring was ongoing while a plan was being devised.

4 Tote Road

The second day of the Inspection was on June 19th, which consisted of examination of the Tote Road, water crossings including bridges and culverts and infrastructure at Milne Port. The Inspectors were accompanied by Shannon Mulhall on the Tote Road. The temperature was similar to the first day of the Inspection, but it was sunnier. A general theme of the conversations while travelling down the Tote Road was discussing ongoing dust suppression methods. While Dr. Kay was on site, calcium chloride was being applied to sections of the Tote Road close to Sailiivik Camp and Milne Port, but not in the middle of the Tote Road. A noticeable difference was observed between these regions of the Tote Road. There was much less dust directly after the calcium chloride was applied, which was a step in the right direction for dust control measures. The middle section of the Tote Road was dustier, which was more comparable to previous Inspections. The Inspectors observed some water trucks but continued to recommend more water trucks need to be active on the Tote Road. Baffinland was down one water truck as the truck caught fire during the previous week at KM94. Assol requested the truck be drained of any fluids that could be hazardous to the environment.

4.1 KM97

The first water crossing on the Tote Road the Inspectors stopped at was the KM97 Bridge. There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both sides, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. The culverts and bridge abutments both looked good at this crossing, and no ecological or structural issues were noted here.

4.2 CV001 (KM95)

The 2024-2025 winter season was the first winter for this culvert after replacement. There were no major concerns here and the culvert was embedded ~40%. The embedding of culverts was a strategy discussed between Stantec and Baffinland. While at this culvert, the Inspectors and Baffinland discussed strategies for future culvert replacements. Overall, Baffinland communicated to the Inspectors that they were working closely with Stantec to conduct culvert-specific assessments and not taking single approach for all culvert replacements. A key factor is understanding the depth of permafrost at each culvert, which will greatly influence the design process. Baffinland's plan is to replace 13 culverts during Q4 of 2025, which the Inspectors requested the schedule of replacement once available. This will help QIA track ongoing construction progress on site and be used to inform future inspections.

4.3 BG04

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report here. There was a small wash out that Baffinland will follow up on to ensure there will be no future ecological harm. While driving to the KM87.5 washout, caribou were observed at KM91. They were in a similar location on the way back from Milne Port.

4.4 87.5 Washout

This washout was a focal point of the unscheduled inspection during October 2024. The road was repaired and most of the sand was removed from the road. The culvert here had no structural issues. The Inspectors identified on the upstream side of the culvert there was potential for fish to be stranded in the pool located on the left side. This is due to a new flow path following the unprecedented rain event, which developed an isolated pool under low flow conditions. The Inspectors recommended Baffinland watch the water balance of this stream and pool to ensure the pool is not isolated during low flow. If the pool is isolated, Baffinland should alter the flow paths at this location.

4.5 CV216

This crossing had an emergency quick installation of a culvert due to structural problems with the other culverts identified by Baffinland. Baffinland will be working with Stantec and DFO to develop a permanent solution for the crossing. Stantec has identified a large ice lens (permafrost) under the crossing that may hinder typical solutions. There were five culverts, however, only one of them was flowing while the other 4 were blocked completely. The downstream side was in better condition than the upstream side of the culverts. The Inspectors believe fish passage was only possible through the emergency repaired culvert while the four were not passable.

4.6 KM80

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both side, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. Additionally, this location is used by the water trucks to refill tanks of water while applying water on the Tote Road for dust suppression.

4.7 KM64

This location was washed out completely during the unprecedented rain event during September 2024. There were new channels formed due to the erosion of sediment during the event. Baffinland reshaped the road in this region of the Tote Road after the rain event to hopefully reduce erosion. The new culverts are embedded at this crossing and there were no structural integrity issues.

4.8 KM63.5

There were new culverts installed prior to the unscheduled inspection, but after the unprecedented rain event. On the hill side of the crossing, there was still large amounts of erosion, and the embankment was sliding out. There were a couple of new flow paths unearthed because of the erosion. Baffinland suggested many of the new flow paths were subsurface flow prior to the erosion and are now surface water flow paths. These new flow paths should be added to Baffinland's ongoing monitoring of the culverts to ensure there are no influences on key water quality parameters such as TSS. The new armour stone after the washout appears to be working as intended during the spring freshet. There was a total of 21 culverts washed out during the unprecedented rain event but 3 still remain scattered across the tundra. Baffinland will be following up CIRNAC and likely will retrieve these culverts during the winter. The concern voiced by Baffinland was moving heavy equipment down into that area could have negative consequences for water quality due to erosion. As noted previously, there were many new channels also on the downstream side of the culvert.

4.9 KM63 Bridge

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both sides, which should help to improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. There was some new armouring of the soil surrounding the bridge to help reduce erosion. The culverts here were also perched but Baffinland stated (and has stated previously) DFO is okay with the perched culverts because the main stem of the river is the major crossing. The channel flowing into the culverts was low and is expected to be low during most of the open water season.

4.10 CV57

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report here. This culvert was submerged and was lined with substrate.

4.11 CV59

The culvert held up well during the winter season. Both channels were flowing well with no major problems to report. This culvert was submerged and was lined with substrate. A new rock apron was constructed around the upstream and downstream side of the culvert. DFO suggested the apron might be too thick and should be thinned out a little bit. Baffinland will need to monitor water levels here to ensure the apron is not preventing flow during the low flow periods of the year.

4.12 CV79 @ KM51

At KM51, almost half of the road and half of the culverts were washed out due to the rain event during September 2024. Baffinland is discussing with DFO on how to reinstate with a permanent design or reinstall the same structures. The flow looked okay through these culverts, but the culverts were angled down. The Inspectors were unsure if this would allow flow/fish passage at lower flows. The permanent flow culvert was perched above the water. The downstream side was better than the upstream side, but clear indications were that more work was going to be needed on these culverts.

As noted above, dust through the KM60 and KM50 region of the Tote Road was much more noticeable due to no application of water or calcium chloride. Discussions continued at this point with Baffinland on increased application of water and calcium chloride. The Inspectors asked if a schedule was being followed but Bill was unsure, but suggested it was unlikely a schedule was being followed.

4.13 CV102

There were some concerns here around bowing in the middle of the culvert from the road and with the apron. Baffinland is working with DFO to make pools on the downstream side. The upstream side of the culvert was an example of mud and sediment being trapped on the apron, which has the potential to hinder flow.

4.14 KM17 Bridge

There was an ice road constructed here during the winter season. The bridge was reinforced by burying sea cans at the approach of both side, which will hopefully help improve the stability of the bridge and Tote Road. The speed limit was reduced greatly to 15 km/hr for bridge crossings. Additionally, this location is used by the water trucks to refill tanks of water while applying water on the Tote Road for dust suppression.

4.15 Milne Port

The Inspectors were toured around Milne Port. The two ponds (MP05 and MP06) were inspected while at Milne Port. Baffinland informed the inspectors after amendments to the water license, these ponds are no longer subject to any water quality parameter criteria and could be discharged directly into the marine environment. Baffinland is still monitoring these ponds as part of their aquatics monitoring program. The main parameters will be concentrations of TSS. The water was low during the inspection and new silt curtains were installed at each pond. There were no concerns about the structural integrity of the ponds.

The fuel spill described in the 'Fuel and Lubrication Truck West; Follow-Up to Spill #2025-202' report was fully cleaned up even though Baffinland reported this would be a phased approach in the report. There were no lingering concerns from the Inspectors about the spill and there was no evidence of the spill exceeding the reported area. The drive back from port was dustier than the drive to port, which was noted with Baffinland during the drive.

Below, Dr. Kay describes the overall thoughts of the inspection and key recommendations and action items for Baffinland.

5 Summary and Information Requests

A Scheduled Environmental Inspection of the Mary River Project Area was conducted by Dr. Mitchell Kay from LGL and Assol Kubeisinova from QIA on June 18th and June 19th, 2025. The Inspection covered the normal schedule, but special emphasis was placed on regions impacted by the unprecedented rain event during September 2024. The overall impression of Dr. Kay was regions influenced negatively by the rain event were restored to their pre-rain event state. A lingering issue from the unprecedented rain event was there was still culverts scattered across the tundra at KM63.5. While the quantity was reduced from 21 to 3, these culverts need to be retrieved. Dr. Kay would also like to acknowledge there was good and continued progress on many issues that LGL have raised previously, but caution there are still some ongoing issues. These ongoing issues were raised at the close out meeting with Dr. Kay, Assol, Bill, Katie and Shannon on the last day of the inspection.

The only item Dr. Kay has for the information request following the Inspection would be the schedule for the culverts replaced. Bill indicated that Stantec would be on site the week following the Inspection and Baffinland would be able to communicate the order the culverts would be replaced.

6 Critical Recommended Actions

The Inspectors (Assol) identified and reported to Baffinland numerous locations where totes or containers full of liquid were not labelled properly. The two examples provided in the report were at the crusher pad and water/oil separator fuel berm. Some of the totes were sitting in an unknown liquid. We recommended Baffinland ensures all

containers are labelled for the safety of the workers and stewardship of the environment. In addition to the labels, Baffinland should ensure proper storage of the containers (i.e., not sitting in standing water or unknown liquids). This was discussed at the close out meeting.

As recommended previously, Baffinland needs to continue to implement more robust erosion and sediment control measures across the entire project area. Dr. Kay would like to acknowledge there has been good progress on this issue as demonstrated by increasing the quantity of coir logs behind Sailiivik Camp, which rapidly decreased runoff and concentrations of TSS in Sheardown Tributary. The outcome of these actions was visually the concentration of TSS was the lowest Dr. Kay has observed at this location during an inspection. However, we continue to recommend addition of coir logs to key locations across the project area to further reduce erosion. This was discussed during the inspection and at the close out meeting.

The shortcomings of the KM105 Dam have been well-documented during previous inspections and subsequent reports. The extreme rain event highlighted many of the concerns QIA has voiced regarding treatment of runoff from the active mine area and haul roads. During the 2025 winter season and spring freshet, Baffinland acknowledged the KM105 Dam was not working as intended and modified their sediment treatment approach. We have long recommended Baffinland use a treatment train approach versus the single KM105 Dam. Based on preliminary results, it appears the approach Baffinland employed during 2025 was much improved compared to previous years as there were few exceedances downstream of the KM105 infrastructure. However, while Dr. Kay and Baffinland agree there have been improvements compared to previous years, there are still some concerns. The spring 2025 freshet was gradual compared to previous years and could be one of the mechanisms for reduced exceedances. Additionally, Baffinland is still exploring internally the best option for the flow structure at the final discharge point. As discussed above, a weir is very unlikely due to concerns of permafrost degradation. We recommended Baffinland continues to monitor the KM105 treatment measures closely to ensure sustained high concentrations of TSS and potentially other contaminant of concerns are not entering fish bearing habitat. Additionally, Baffinland should provide QIA regular updates on the engineered structure at the final discharge point.

During the inspection, the Inspectors evaluated many culverts across the project area that spanned from recently replaced to sorely needing replacement. Bill informed the Inspectors that Stantec will be on site the following week to complete culvert specific analysis to inform the design of the new culverts. The culvert replacement work will be a joint effort between Baffinland, DFO and Stantec. We recommend Baffinland provides an update on this and potentially a schedule of culvert replacements if available at point.

A long ongoing issue identified in numerous previous inspections is dust control and mitigation strategies across the project area. LGL conducted mineralogical and particle size characterization during 2024, which determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road-Side Maintenance material. Since this analysis, Baffinland has been applying calcium chloride to the Tote Road. As described above and demonstrated in the photo log, immediately after the application of the calcium chloride solution there was noticeably less dust on the Tote Road. However, there were large sections of the Tote Road and project area that calcium chloride and water was not being applied. We recommend Baffinland continues to refine the application of calcium chloride, which may include but not limited to increased frequency of trucks including water trucks, scheduled application and further exploring the best solution for mitigating dust. Collectively, these would further improve the progress on this issue. A summary is provided in Table 1 below.

7 Conclusion

Dr. Kay views the overall inspection as a success and observed good progress on many issues identified previously by inspectors. On this inspection there was no major or wide-spread issues to report and some of the issues reported here are likely already address by Baffinland (e.g., labelled of totes). Nonetheless, Baffinland needs to deliver on the promises made during the Inspection such as the timeline of culvert replacements, KM105 infrastructure and dust control and mitigation strategies.

Should you wish to discuss any aspects of this letter, please feel free to contact either of the undersigned.

Respectfully submitted,

LGL LIMITED

A handwritten signature in black ink that reads "Mitchell Kay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mitchell Kay, Ph.D.
Senior Aquatic Scientist

A handwritten signature in black ink that reads "Joe Cavallo". The signature is cursive and somewhat compact.

Joseph Cavallo
Senior Biologist

LGL Limited – Ecological Review of the Mary River Project

Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
1	Crusher pad and water/oil separator fuel berm	Totes were not labelled properly and located in an unknown liquid.	- Totes should be labelled to reflect the liquid contained. - Totes and fuel drums should not be sitting in unknown liquid. The liquid should be removed and disposed of following proper protocols.	New concern identified during June 2025.
2	New sediment treatment approach prior to Sheardown Tributary and fish bearing waters.	Baffinland has provided an updated approach for treating sediment upstream of Sheardown Tributary. In essence, KM105 Dam has been abandoned, and a treatment train approach has been established upstream.	- Continue to monitor the efficacy of the new approach, which is described in the June 2025 Memo. - Provide an update on the flow structure at the final discharge point. - Baffinland should have a plan in place for future spring freshets of higher intensity.	New concern identified during June 2025.
3	Water crossings on the project area	Replacement of culverts. Baffinland stated a schedule of culvert replacements would be produced based on priority.	Provide QIA with a schedule of culvert replacements.	New concern identified during June 2025.
4	Ditches along the Mine Haul Road	The informal ditches are collecting road and hillslope runoff and is flowing downstream unchecked and with no controls during high flow periods.	The ditches should be reconstructed and sized to convey high flows, and rock check dams should be installed per typical specifications to reduce	No action observed. No sediment laden waters were observed during the June 2025 Inspection.

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
		Sediment-laden runoff was observed on September 11 originating from up-slope at approximately KM 106.5 running into the north ditch of the haul road.	velocities, allow for settling and to reduce erosion in the ditches. • Reduction of TSS entering KM 105 pond in upstream catchment will significantly aid in reducing treatment issues in the control pond. • The source of the sediment-laden runoff observed at approximately KM 106.5 should be assessed and remediated to prevent further sedimentation into the Haul Road ditch. We recommend effort be placed on prevention of sediment laden sources of water from entering runoff which contributes to the KM 105 pond input and placing emphasis of treatment at the source.	

LGL Limited – Ecological Review of the Mary River Project

Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
5	KM 105 Pond Sedimentation Pond (North Embankment)	Seepage under the constructed dam structure related to the incident on July 14/15, 2022, and May 20, 2023. The new water treatment system is not functional until the dam is repaired, and water is held back upstream of the dam.	A report documenting the status of the KM 105 embankment foundation repair is requested. The design, operation, and performance criteria specified for the new installed KM 105 Water Treatment Plant are requested. Can BIM confirm what contingency measures will be implemented to ensure that water with elevated TSS from the mine area is not released into the receiving environment downstream of the secondary pond adjacent to the downstream toe of the NW embankment under the full range of flow conditions expected at the site?	KM105 is no longer part of the treatment plan.
6	KM 105 Sedimentation Pond (Southwest Embankment)	Significant failure of the upstream slope. Cables and readout boxes for two thermometer strings were observed adjacent to the crest. BIM staff explained that the cables had been extended data collected	A map providing the as-built names and locations of all thermistors that were installed at and are associated with the KM 105 SCP is requested. Plots of collected thermistor profile data are requested to assess the nature of permafrost at the locations	No action required.

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
		by personnel designated as responsible for collecting this data. What is the operational state of all installed thermistors and has the collected data been plotted and analyzed?	where thermistors have been installed.	
7	Throughout the project area but particularly at stream crossings	High amounts of road sediments are entering stream channels and lakes throughout the site. Rain and snowmelt events exacerbate this.	We recommend that an effective sediment and erosion plan be implemented, and that regular and post-flow event monitoring occur by qualified individuals. ESC controls such as coir logs, sediment curtains and other measures (as possible for this environment) be used liberally. Examples of locations to use these measures include: • Roadside margins to prevent and/or divert sediment-laden water from flowing towards streams and/or lakes • Areas adjacent to waterbodies to prevent sediment-laden water from entering streams and/or lakes.	Yes, some stream crossings have been lined with extensive areas of angular rock. We continue to recommend more liberal use of coir logs along any of the roads, to prevent sedimentation into the streams and lakes. Coir logs have been placed along the road behind Sailiivik Camp to reduce erosion into Sheardown Tributary.

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
			We suggest that sediments be controlled at the source as the first step in the treatment train of measures. A maintenance staff and program are recommended to respond to issues in a timely and effective manner. Issues should be proactively addressed (i.e., prior to rain events or spring freshet).	
8	Throughout the project area but particularly along the Tote Road	Excessive amounts of dust from heavy equipment and haul trucks observed throughout the project areas, but particularly along the Tote Road have previously been observed. Significant airborne dust was not noted during this Inspection along the tote road, due to the relatively wet conditions due to recent rain.	The mineralogical and particle size characterization conducted by LGL and MISL, determined clay minerals and K-feldspar may be the major contributors of dust generation from the Tote Road. One of the major constituents (chlorite), is relatively hydrophobic and may not respond effectively to water-based dust suppression techniques. LGL recommends BIM uses the knowledge generated from this effort to further explore dust suppression techniques with the highest performance efficacy on clay minerals and K-feldspar. We understand through discussion with	No effective dust suppression action observed. In locations where calcium chloride was applied there was notable declines in dust. However, this was not applied regularly throughout the project area.

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
			BIM that they have worked with specialty companies such as Veolia in the past. We encourage that the results of the Tote Road analysis be shared, and the most effective and safe product be trialled. We also suggest the following as an interim measure, until a suitable product with efficacy greater than water can be determined: • Regular schedule of water trucks to continually spray the road surface to discourage any mobilization of dust (depending on time of year). • Increase the number of water trucks available at any given time. • An effective early notification system is required to alert managers when dust levels are increasing.	

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
			- Regularly wash heavy equipment to remove sediments and dust. - Monitor airborne dust levels and the accumulation of dust on the tundra. - Develop a monitoring methodology for dust dispersion to determine 'hot spots' and to determine various levels of impacts. - Monitor the long-term health of tundra vegetation within an area of impact determined on the above.	
9	Immediately downstream of pond KM 105	Fine sediments (silt/clay) were observed in the areas downstream of the KM 105 dam. These sediments are believed to be a result of the dam bypass and from high sediment load events. The sediments appear to be fine silts/clays. These introduced fine sediments have the potential to change the shallow soil characteristics (nutrient balance, pH, and other edaphic	- Remediation of the KM 105 pond dam and upstream channel will minimize the amounts of fine sediments able to travel downstream. - Continue to monitor turbidity, water levels and chemical parameters in pond KM 105. - Increased ESC controls should be employed to minimize entrained sediments and encourage	Yes, but attempts to repair KM 105 pond have been unsuccessful. KM105 is no longer part of the surface water management strategy.

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Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
		characteristics) and have an altering effect on the native vegetation.	settling (turbidity curtains, silt fencing, filter logs, etc.) The functionality of the water treatment system would help to effectively treat water quality	
10	Immediately south of the mine road adjacent to the Sheardown Lake Tributary	The mine road is immediately adjacent to the Sheardown Lake tributary for approximately 200 m on the south side of the mine road. There is a potential for sediments from the road to directly enter the tributary following rain and snowmelt events. Snow with high sediment load was observed in the stream channel in June 2024. No actions to prevent this from occurring again were observed.	- Sediment control fencing or other method of erosion and sediment control (ESC) should be installed at the base of the road to minimize/prevent future sedimentation impacts. - Snow clearing operations should avoid pushing snow into the stream channel. Effective marking of the area, visible during the winter would avoid this issue.	No action observed. The installation of coir logs or other ESC measures could help to prevent road sediments from entering the stream channel. Coir logs were installed during spring 2025.
11	Waste Rock Facility Water Treatment Plant at top of Mine Site	We observed the Treatment Plant at the top of the Mine Site where ferric-flocculant- lime treatment train was in use to mitigate low pH runoff from the mining areas. Effluent was discharged several hundred metres to the east onto the	- Continue to monitor turbidity and other chemical parameters of effluent and ensure no exceedances. - Ensure contingency plan in the event of large quantities of runoff exceeding	Complete the leak detection investigation that was scheduled to be completed during the snow free period of 2024 or devise alternate plan to ensure that contents of SCP

LGL Limited – Ecological Review of the Mary River Project

Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
		tundra. No issues were noted on the date of observation. Conditions were snow covered and the plant was not yet running. The treatment pond leakage planned to be tested in the summer of 2024 to diagnose the source of the loss of water did not occur.	capability of the treatment infrastructure.	are not released to the environment. No new updates following the spring 2025 inspection.
12	KM 106 Ore Stockpile (Glencore)	It was understood from BIM staff that the entire stockpile is owned by Glencore and is planned to be transported to Steensby Port upon completion. An area of fines was observed in the upper reaches of the north facing slope of the stockpile.	A safety plan should be developed to ensure that another flow failure event is not triggered if heavy equipment is operated on the surface of the stockpile whenever the stockpile is relocated.	No further actions have been taken at this location.
13	KM 81 Stream Crossing	A road washout previous to the visit had occurred and road repairs were ongoing during the inspection.	We suggest that the amount of fine materials in the short section of channel downstream of the culverts, and upstream of the lake, be monitored over time and that an assessment of whether any impacts to fish habitat in Muriel Lake, has occurred.	New concern Repairs to the Tote Road have occurred.

LGL Limited – Ecological Review of the Mary River Project

Item No.	Project Location	Description of Concern	QIA Requested Action	Has the Concern Been Addressed Based on Previous Recommendations (Bold terms are updates from June 2025)
14	SDCT-1 Tributary at KM 63	The two CSP's south of the main bridge structure are significantly perched creating a barrier to fish passage. Streambank erosion has occurred downstream of the two CSP culverts due to scour.	- Mitigate the perched condition of the CSP's to ensure free passage of fish through the structure. - Monitor the streambank erosion downstream of the culverts	No action observed. All culverts on site are being analyzed and scheduled for repair based on priority.
15	KM 33 Stream Crossing	Recent rock revetment work was completed. Water is flowing under the recently placed rocks preventing fish passage.	This area should be observed over time to determine whether fine materials will accumulate to a degree enough to encourage surface flows.	Concern from 2024
16	Milne Port	Dark coloured sediments at Milne Port have been observed since 2023. A sample of the material was collected and analyzed and reported an elevated level of iron.	A plan to prevent these sediments from entering the nearshore area and ultimately the marine environment should be developed and implemented.	Concern from 2024

Baffinland Mine Site June 2025 Environmental Investigation

APPENDIX A - PHOTOGRAPHS



Photo 1 –Waste Rock Facility Pond still frozen and covered in snow (June 18th, 2025).



Photo 2 – Waste Rock Facility preparations (June 18th, 2025).

Baffinland Mine Site June 2025 Environmental Investigation

APPENDIX A - PHOTOGRAPHS



Photo 3 – KM106.5, where inspectors previously saw turbid water (June 18th, 2025).



Photo 4 – KM106 stockpile, where a spill was reported (June 18th, 2025).

Baffinland Mine Site June 2025 Environmental Investigation

APPENDIX A - PHOTOGRAPHS

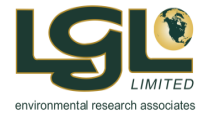


Photo 5 – Pooling location caused by the KM106 spill (June 18th, 2025).



Photo 6 – Dosing facility upstream of the KM105 infrastructure. Note the secondary flow path (June 10, 2024).

Baffinland Mine Site Unscheduled Environmental Investigation

APPENDIX A - PHOTOGRAPHS

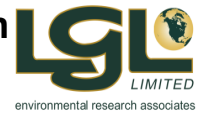


Photo 7 – New filter berm upstream of KM105 (June 18th, 2025).



Photo 8 – Dust behind a large truck by KM105 on the mine haul road (June 18th, 2025).

Baffinland Mine Site June 2025 Environmental Investigation

APPENDIX A - PHOTOGRAPHS

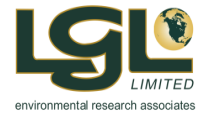


Photo 9 – Horizontal view of the new filter berm (June 18th, 2025).



Photo 10 – Tundra below KM105 Dam (June 18th, 2025).

Baffinland Mine Site June 2025 Environmental Investigation

APPENDIX A - PHOTOGRAPHS

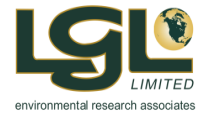


Photo 11 – Endpoint of treatment system where an engineered structure will be installed. (June 18th, 2025).



Photo 12 – Crusher Pond Totes for dust suppression (June 18th, 2025).

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Photo 13 – Sheardown Tributary behind Sailiivik Camp (June 18th, 2025).

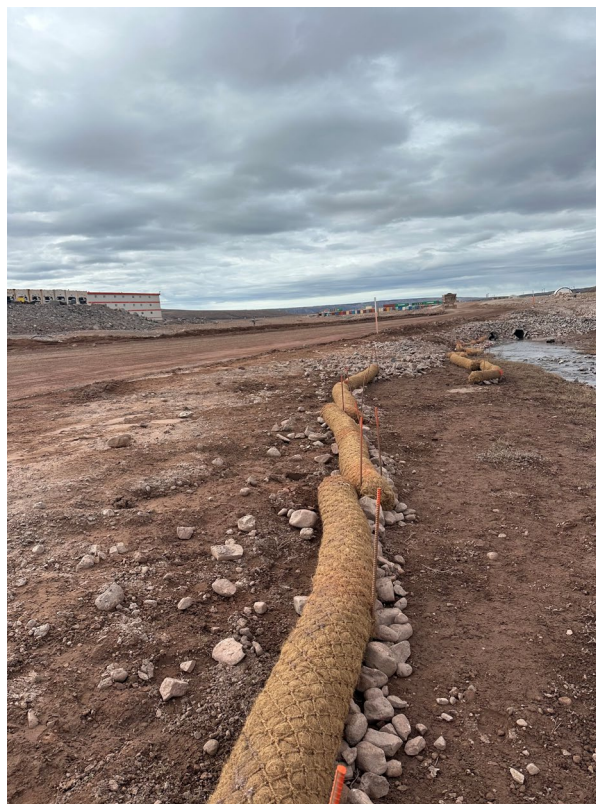


Photo 14 – Coir logs behind Sailiivik Camp (June 18th, 2025)

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Photo 15 – Damaged culverts behind Sailiivik Camp (June 18th, 2025).



Photo 16 – Sheardown Tributary entering Sheardown Lake (June 18th, 2025)

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Photo 17 – Totes sitting in standing water at the fuel berm (June 19th, 2025).



Photo 18 – KM97 Bridge crossing (June 19th, 2025).

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Photo 19 – KM97 Bridge crossing reinforced during winter 2025 (June 19th, 2025).



Photo 20 – Tote Road after application of calcium chloride and water (June 19th, 2025).

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Photo 21 – Culvert replacement on the Tote Road (June 19th, 2025).



Photo 22 – Potentially isolated pool at KM87.5 (June 19th, 2025).

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Photo 23 – KM63.5 washout (June 19th, 2025).



Photo 24 – Culverts still scattered at KM63.5 (June 19th, 2025).

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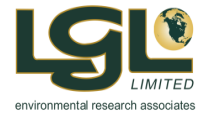


Photo 25 – Location of spill reported at Milne Port. (June 19th, 2025).



Photo 26 – View of new aggregate pad and tote road from plane. (June 20th, 2025)