Project PFS Update delivers a 29% increase in NPV

PFS Update Highlights

- **Iron Bear Project NPV**: Increase from **USD 9.0B to USD 11.6B (+ 29%)** between initial PFS dated 29/07/2026 and PFS Update, due to Project Value Improvement process
- **IRR** increase from **15.2% to 17.9%** and **production** increase from **23 Mtpa to 25.9 Mtpa** with lower pre-production CAPEX
- **Five Value Improvement levers actioned**: (1) Updated tailings, (2) Improved comminution circuit, (3) Sprint capacity optimisation, (4) Improved mine plan, and (5) Improved construction schedule
- **PFS Update delivered to AACE Class 4 standard (+/- 25%)** by tier-one consultants Hatch Ltd, Snowden Optiro, Danieli Newfer and others
- **Economics** underpinned by value-in-use supported premiums to the **65% Fe CFR benchmark** long term price of **USD 120/t CFR**
- **Key Assumptions** remain unchanged between PFS update and initial PFS

$NPV_{8\%}$ UNLEVERAGED
USD 11.6B
Post Tax

IRR
17.9%
Post Tax

PRE-PRODUCTION CAPEX
USD 4.0B

PRODUCTION
25.9 Mtpa
BF Concentrate: 7.3Mtpa
DR Pellets: 18.6 Mtpa

ORE RESERVE
3.3 Bt @ 29.1% Fe

MINERAL RESOURCE
13.6 Bt @ 30.03% Fe

LIFE OF MINE
40 years

OPEX FOB
BF Concentrate: USD 64/DMT
DR Pellets: USD 84/DMT

Iron Bear Project Foundations

- **Production of premium grade products:** 69.1% Fe, 3.5 % (SiO_2+Al_2O_3) BF concentrate, upgradable to a 71% Fe, 1.2 % (SiO_2+Al_2O_3) DR concentrate for the production **of Direct Reduction Pellets,** with ultra-low deleterious elements. Analysts' consensus is that the ultra-high premium DR pellet market will grow by **86Mtpa by 2035 (+47% from 2024**).
- **Access to existing rail infrastructure and the open-access port of Pointe-Noire**, with products to be sold into Rotterdam (EU), Corpus Christi (US) or North Africa
- **Concentrator powered by 100% low-cost power** sourced from hydro-power plant Churchill Falls drives competitive OPEX and keeps emissions to just 29 kg/t sales, among the lowest in the industry
- **Strong project momentum**: Candidate for Project of National Significance in Canada and EIA (Environmental Impact Assessment) registration planned Q1 2027

1.1 Updated PFS versus initial PFS (Base Case)

The updated PFS delivers substantially better financial and operational outcomes than the initial PFS due to the Value Improvement process which was completed in close collaboration with Hatch, BBA, Ammjohn Solutions, Danieli Newfer, Toornado Metallurgy and Snowden Optiro.

It is important to note that the same Key Assumptions (outlined in Section 6.5) were used in the initial PFS and the updated PFS which ensures that the operational and financial outcomes are comparable.

BASE CASE	UPDATED PFS	INITIAL PFS	VARIATION
$NPV_{8\%}$	**USD 11.6 billion**	**USD 9.0 billion**	**+29%**
IRR %, post-tax	**17.9 %**	**15.2 %**	**+18%**
CAPEX Preproduction	**USD 4.0 billion**	**USD 4.2 billion**	**-5%**
Production Mtpa	**Total: 25.9** BF Conc.[1]: 7.3 DR Pellets[1]: 18.6	**Total: 22.9** BF Conc.[1]: 4.5 DR Pellets[1]: 18.4	**+12%**
Prod. Cost[2] FOB USD/DMT	BF Conc.: 64 DR Pellets: 84	BF Conc.: 64 DR Pellets: 87	**0%** **-3.5%**
Sales Price[3] CFR USD/DMT	BF Conc.: 152 DR Pellets: 212	BF Conc.: 152 DR Pellets: 212	**0%** **0%**
FCF total LOM	USD 105.7 billion	USD 108.2 billion	**-2.3%**
CAPEX Production LOM	USD 11.0 billion	USD 11.2 billion	**-1.8%**
Life Of Mine, Years	40	44	**-9%**

1: BF Con. = Blast Furnace concentrate. DR = Direct Reduction
2: Production costs at steady state production, excluding royalties and SG&A
3: Sales prices real over Life Of Mine includes quality premiums

DMT=Dry Metric Ton
FOB = Free On Board (loaded on export vessel at Pointe Noire)

1.2 Value Improvement Levers

The economic results presented are based on the optimised PFS Update development plan and supersede those of the initial PFS estimate. Five improvement levers were applied to the development plan of the initial PFS. Each lever was applied to the Base Case in the financial model in sequence to approximate its individual effect on Project economics. All three scenarios reported incorporate these improvement levers.

1) **Updated tailings.** The cost estimate for the wet (centreline-raised) tailings storage facility was updated to the Hatch Class 4 estimate. This reduces pre-production CAPEX by approximately 46 MUSD and increases post-tax NPV by approximately 248 MUSD. LOM sustaining capex has reduced by 1,172 MUSD.

2) **Revised comminution circuit.** A value engineering review of the concentrator resulted in a revised comminution flowsheet. The reverse flotation circuit is retained, and its capital, sustaining capital and operating costs are now reported within the Concentrator line of the cost tables in this chapter and are no longer shown separately. This change reduces pre-production CAPEX by approximately 227 MUSD and life-of-mine production CAPEX by approximately 437 MUSD, reduces the Stage 3 FOB cash cost by approximately 2.3 USD/t, and increases post-tax NPV by approximately 524 MUSD. LOM sustaining capex has reduced by 303 MUSD.

3) **Throughput and sprint capacity.** Each major section of the processing plant has a nominal and sprint capacity which was estimated on a yearly basis as part of the comminution circuit review. The initial 15% sprint capacity was reduced to between 5% to 10% over the initial 6 years of the process plants operation. Once the mine reaches steady state operation in year 11, the ROM feed was optimised to ensure the plant was running at capacity. Steady-state ROM feed increases to between 92 and 103 Mtpa and BF concentrate production to approximately 27 Mtpa, and the Production Target of 3.4 Bt is mined over approximately 40 years. The higher mining rate increases pre-production CAPEX by approximately 67 MUSD and life-of-mine production CAPEX by approximately 268 MUSD, whilst reducing sustaining CAPEX by 201 MUSD. This increases post-tax NPV by approximately 915 MUSD.

4) **Optimised mine plan.** The mine schedule was revised to bring higher-grade material forward, with the mass yield of run-of-mine ore to concentrate at 30% to 32% in the first four years of production compared with approximately 29% over the life of mine. Revenue and free cash flow are brought forward with no change to CAPEX. This increases post-tax NPV by approximately 630 MUSD.

5) **Construction schedule.** The construction schedule was shortened, with the third processing train commissioned in Year 8 (previously Year 9). This brings forward approximately 8 Mt of BF concentrate production and increases post-tax NPV by approximately 291 MUSD, with no change to life-of-mine production CAPEX.

In combination, these changes increase the Base Case post-tax NPV from 9,006 MUSD to 11,614 MUSD and the post-tax IRR from 15.2% to 17.9%. Pre-production CAPEX decreases from 4,250 MUSD to 4,044 MUSD and life-of-mine production CAPEX decreases from 11,164 MUSD to 10,979 MUSD. The cumulative effect of each change is presented in the waterfall diagram below.

Figure 1: Effect of Value Improvement Levers on Base Case Economics (cumulative)



1.3 Probable Ore Reserve

- The maiden Probable Ore Reserve released to market 29 July 2026 remains unchanged with the engineering optimisation and mining study updates incorporated into this PFS update continuing to underpin the stated Probable Ore Reserve Estimate and in accordance with the JORC Code (2012);
- The Ore Reserve has been re-evaluated incorporating minor changes to the life of mine plan, mining costs, process circuit updates, and revised Project Capex and Opex cost estimates as outlined within the body of this announcement. There have been no material changes to the key modifying factors underpinning the estimate in the original market announcement, with all material assumptions and technical parameters continuing to apply. Updated modifying factors, where relevant, are disclosed within the body of this announcement and within JORC Table 1 Section 4 (Attachment 1);
- **Probable Ore Reserve of 3.3 Bt at 29.1% Fe** supports the updated processing target of ~26 Mtpa of high-grade iron ore products over a revised **Life Of Mine (LOM) of 40 years;**
- The operation will mine and process 3.4 Bt of mill feed with a **stripping ratio of 0.44** and including **95% of probable ore reserves** and 5% of Inferred Mineral Resource;

1.4 Base Case Production Scenario

- Engineering has been completed to AACE Class 4 standard for the base case and all reported scenarios.
- Steady State Production Target: **25.9 Mtpa**, comprising 7.3 Mtpa Blast Furnace (BF) Concentrate and 18.6 Mtpa Direct Reduction (DR) Pellets, over a **40-year Life of Mine**.
- **BF Concentrate:** 69.1% Fe, 3.5% (SiO_2+Al_2O_3).
- **DR Concentrate:** produced via reverse flotation of BF concentrate at 88.7% recovery, upgrading to 71% Fe, 1.2% (SiO_2+Al_2O_3), for conversion to DR Pellets.
- **Process trains:** 3 trains, each rated at 9.2 Mtpa BF concentrate nominal capacity, commissioned progressively across three stages over 12 years (Stage 1 build spans 5 years).
- **Logistics:** existing rail infrastructure to the Port of Pointe-Noire.
- **Port:** All material is moved via the existing rail infrastructure to the port of Pointe-Noire which has sufficient upgrade capacity potential. During Stage 1 operation an existing port operator manages all material handling. Once the port infrastructure is constructed and commissioned for Stage 2 along with the first pellet plant, the material handling transitions to Company-operated facilities.
- **Marketing:** product to be sold into Rotterdam (EU), Corpus Christi (US) or North Africa/Middle East.
- **Pricing basis:** long-term iron ore price of USD 120/t CFR (65% Fe benchmark) resulting in a BF concentrate price of USD 152/t CFR and DR pellet price of USD 212.3/t CFR for Life of Mine.

1.5 Unleveraged Financial Metrics and Operational Scenarios

	1	2	3
PFS Scenario	**BASE CASE (BC)**	**BC + SLURRY LINES**	**BC + DRY TAILINGS**
Production Mtpa	BF Conc.[1]: 7.3 DR Pellets[1]: 18.6	BF Conc.: 7.3 DR Pellets: 18.6	BF Conc.: 7.3 DR Pellets: 18.6
$NPV_{8\%}$	**USD 11.6 billion**	**USD 12.7 billion**	**USD 10.5 billion**
CAPEX Preproduction	**USD 4.0 billion**	**USD 6.4 billion**	**USD 4.7 billion**
IRR %, post-tax	**17.9 %**	**16.4 %**	**16.2 %**
Prod. Cost[2] FOB USD/DMT	BF Conc.: 64 DR Pellets: 84	BF Conc.: 49 DR Pellets: 70	BF Conc.: 69 DR Pellets: 90
Sales Price[3] CFR USD/DMT	BF Conc.: 152 DR Pellets: 212	BF Conc.: 152 DR Pellets: 212	BF Conc.: 152 DR Pellets: 212
FCF total LOM	USD 105.7 billion	USD 120.2 billion	USD 102.3 billion
CAPEX Production LOM	USD 11.0 billion	USD 12.7 billion	USD 11.6 billion
Life Of Mine, Years	40	40	40
	Most capital efficient and lowest capital at risk	**Highest value and market resilience**	**Most environmentally sustainable**

1: BF Con. = Blast Furnace concentrate. DR = Direct Reduction
2: Production costs at steady state production, excluding royalties and SG&A.
3: Sales prices real over Life Of Mine.

DMT=Dry Metric Ton
FOB = Free On Board (loaded on export vessel at Pointe Noire)

Scenario 2: rail is replaced by a **616km underground slurry pipeline**. The slurry pipeline is operated in batch mode until the subsequent process plant stages are all operational. The slurry pipeline also includes a water return loop to send the water back to the mine site.

Scenario 3: wet facility replaced by a **dry stacked tailings facility**. Dry stacking can improve environmental sustainability by reducing reliance on a wet tailings storage facility, but it also increases pre-production CAPEX and OPEX and depends on the reliable production and management of suitable stackable materials. Further work has been performed for all tailings storage options for the Project to Class 4 study level including the dry tailings option, however, technical and operational risks still remain with the dry stack option that need further investigation and since the associated mine plan and modifying factors are not presented in this announcement, it remains not covered by the ore reserve statement as released to the ASX on 29 July 2026.

1.6 Iron Bear Premium Grade Products and Market

Iron Bear's product suite is anchored in two high-value, high-growth iron ore product categories: high-grade Blast Furnace (BF) concentrate and Direct Reduction (DR) pellets. At steady state, the Project is targeted to produce 7.3 Mtpa of BF concentrate (69.1% Fe, 3.5% SiO_2+Al_2O_3) and 18.6 Mtpa of DR pellets (68.4% Fe and 1.55% (SiO_2+Al_2O_3), Cold Crushing Strength 346 kg/pellet), both of which qualify for premium pricing above benchmark seaborne indices given their high iron content and ultra-low deleterious element profile.

Blast Furnace Concentrate Market. The market for high-grade magnetite concentrate is well established, with stable demand and a long price history. Iron Bear's target customers are integrated blast furnace steelmakers in Europe and the Middle East and North Africa (MENA), where BF concentrate can be pelletised directly or blended with hematite ores ahead of sintering. The near-100% magnetite content lowers energy consumption during sintering and pelletising, while the low silica content reduces electricity consumption in downstream basic oxygen furnace or electric arc furnace processing, qualities that support the premium pricing embedded in the PFS.

Direct Reduction Pellet Market. The DR pellet market represents the more significant structural opportunity for the Project. Global DR pellet demand was independently estimated at approximately 180 Mtpa in 2024 and is forecast to grow to 447 Mtpa by 2050 as the steel industry transitions from carbon-intensive blast furnace–basic oxygen furnace (BF-BOF) steelmaking, toward cleaner electric arc furnace–direct reduced iron (EAF-DRI) routes. This transition requires feedstock with iron content above 67–68% and minimal impurities, a specification profile achievable only with beneficiated magnetite concentrate and pellets of the type Iron Bear will produce.

The pipeline of announced hydrogen and gas-based DRI projects — including SSAB's HYBRIT, and Thyssenkrupp's tkH2Steel plant targeted for commissioning between 2026 and 2033 — collectively represents more than 20 Mtpa of new DRI capacity that supports the demand outlook.

Regulatory Tailwinds. Structural demand for low-impurity, high-grade iron ore feedstock is further reinforced by tightening carbon regulation in Iron Bear's target markets. The European Union's Carbon Border Adjustment Mechanism (CBAM) entered its definitive operational phase in January 2026, progressively phasing out free emissions allowances for EU steelmakers through to 2034 and applying a carbon cost to imported steel and its precursors, with iron and steel together accounting for well over two-thirds of projected CBAM-exposed trade value. This is expected to accelerate the shift of both domestic and imported steel production toward lower-carbon routes, directly favouring suppliers of high-grade, low-impurity DR feedstock such as Iron Bear over conventional sinter-grade ore.

1.7 Environmental and Sustainability Highlights

The Iron Bear Project is a key project, on a global scale, to unlock 'green' steel making and low carbon steel production. Steel making represents over 8% of all the carbon emissions of mankind so promoting clean steel production is a significant challenge for the environment on a global scale.

The main product of the Iron Bear Project will be Direct Reduction (DR) pellets, which is the necessary input for Direct Reduction steel making. DR steel making replaces metallurgical coal with natural gas and has half the carbon footprint of conventional steel making via the blast furnace route (currently ~70% of worldwide steel making). The steel industry is currently transitioning from blast furnace steel making to much cleaner direct reduction steel production, but this transition is constrained by the worldwide supply of DR pellets. The Iron Bear project could play a key part in enabling this green transition by supplying ~18Mtpa of high value DR pellets to the seaborne market, when in full production.

The Iron Bear project will also have very low direct (Scope 1) carbon emissions, compared to peer mining operations, because of the exclusive use of hydropower for all electrical power supply, which results in low CO_2 emission numbers of 29 kg/t sales (Scope 1), which can be reduced further to 23 kg/t sales if a slurry pipeline is deployed. Scope 2 emissions have been estimated at approximately 50 kg/t and are reduced to 44 kg/t of sales when the slurry pipeline is deployed.

Iron Bear plans to leverage the most advanced sustainable mining technologies to minimise the environmental footprint of the Project. For example, Iron Bear is considering deploying dry tailings technology, for the first time in Canada at this scale, to manage the ultra-fine waste, and subsequently minimise, or suppress entirely, the conventional tailings dam.

Iron Bear is committed to co-design the mining and processing project with the indigenous communities to maximise their benefits and minimise disturbances to traditional activities. Early engagement with the five concerned indigenous communities started in October 2024. The objective is to give these indigenous groups the opportunity to understand and shape the Iron Bear Project, and to ensure that they benefit appropriately and play an active role in all aspects of the envisaged operations.

Baseline environmental and social baseline studies have been completed by SEM and Transfert respectively in February 2026.

1.8 Project Financing

The Company currently estimates that approximately 50 MUSD will be required to advance the Iron Bear Project to a Decision to Mine (DTM) and complete the activities outlined in the Development Plan. Projects of Iron Bear's scale are typically developed with the support of strategic, offtake and/or project finance partners. Each may require specific studies, independent reviews, test work, permitting or environmental and social standards to be met before committing capital. The quantum, scope and timing of pre-DTM expenditure will therefore reflect the requirements of the Company once funding is secured and may differ from the current planning basis. In addition, once DTM has been achieved, the Iron Bear project will also need to secure a pre-production capital investment of approximately USD 4.0 billion.

Funding for the pre-production capital will be pursued through established project financing frameworks, incorporating debt facilities, equity investment, strategic partnerships, or partial divestment of project interests.

Comparable magnetite projects to Iron Bear are typically very capital intensive but benefit from the strong demand and high prices for the high-grade magnetite concentrates produced (typically 66%–70% Fe), and additional products like pellets. As a result, comparable projects (including Bloom Lake – Champion Iron in Canada) have been successfully funded, at the DTM stage, via traditional project financing, leveraging debt and equity funding, as well as joint ventures and off take agreements.

1.9 Cautionary Statement

The Pre-Feasibility Study Update (PFS update) has been undertaken to determine the technical and economic viability of the Iron Bear Project. The PFS update is based on the material assumptions outlined in this announcement regarding geology, metallurgy, processing, mining, capital and operating costs, market conditions, and the availability of funding. While the Company considers that all of the material assumptions are based on reasonable grounds and have been developed with due diligence and based on available information, they remain subject to further refinement through additional exploration, technical studies, and economic assessments. Accordingly, there is no certainty that the material assumptions will prove to be correct or that the conclusions or outcomes presented in the Pre-Feasibility Study will be realised.

The life of mine production plan and forecast financial information for the PFS update are inclusive of the presently reported Probable Ore Reserves and existing Inferred Mineral Resources (Production Target). The Production Target and forecast financial information presented in the PFS comprises of 95% Ore Reserve and 5% Inferred Mineral Resource. The inclusion of Inferred Resources within the financial forecast has been deemed immaterial to the Project's economic metrics.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

Further work has been performed for all tailings storage options for the Project to Class 4 study level including the dry tailings option, however, technical and operational risks still remain with the dry stack option that need further investigation and since the associated mine plan and modifying factors are not presented in this announcement, it remains not covered by the reserve statement as released to the ASX on 29 July 2026.

To achieve the range of outcomes indicated in the Pre-Feasibility Study Update, funding of approximately USD 4.0 billion will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when it is required. It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of, Iron Bear shares. It is also possible that the Company could pursue other 'value realisation' strategies to provide alternative funding options including project finance, sale of a portion of the Project, the formation of a joint venture arrangement, or strategic arrangements with offtakes and the execution of such strategies could materially reduce the Company's ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Pre-Feasibility Study Update.

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PROJECT IRON BEAR
PRE-FEASIBILITY STUDY

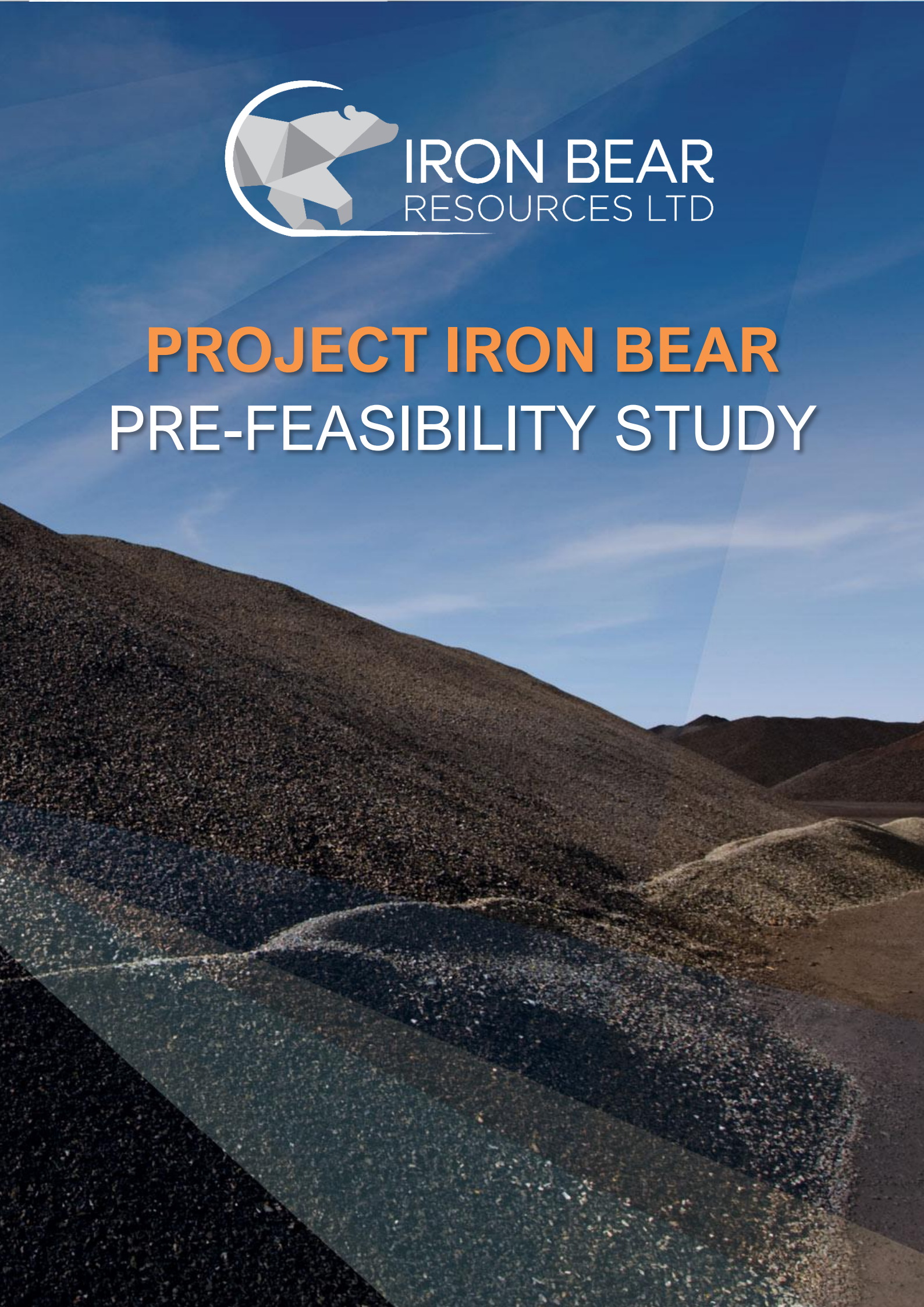

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Figure 48: Risk assessment framework. Courtesy Hatch. 128

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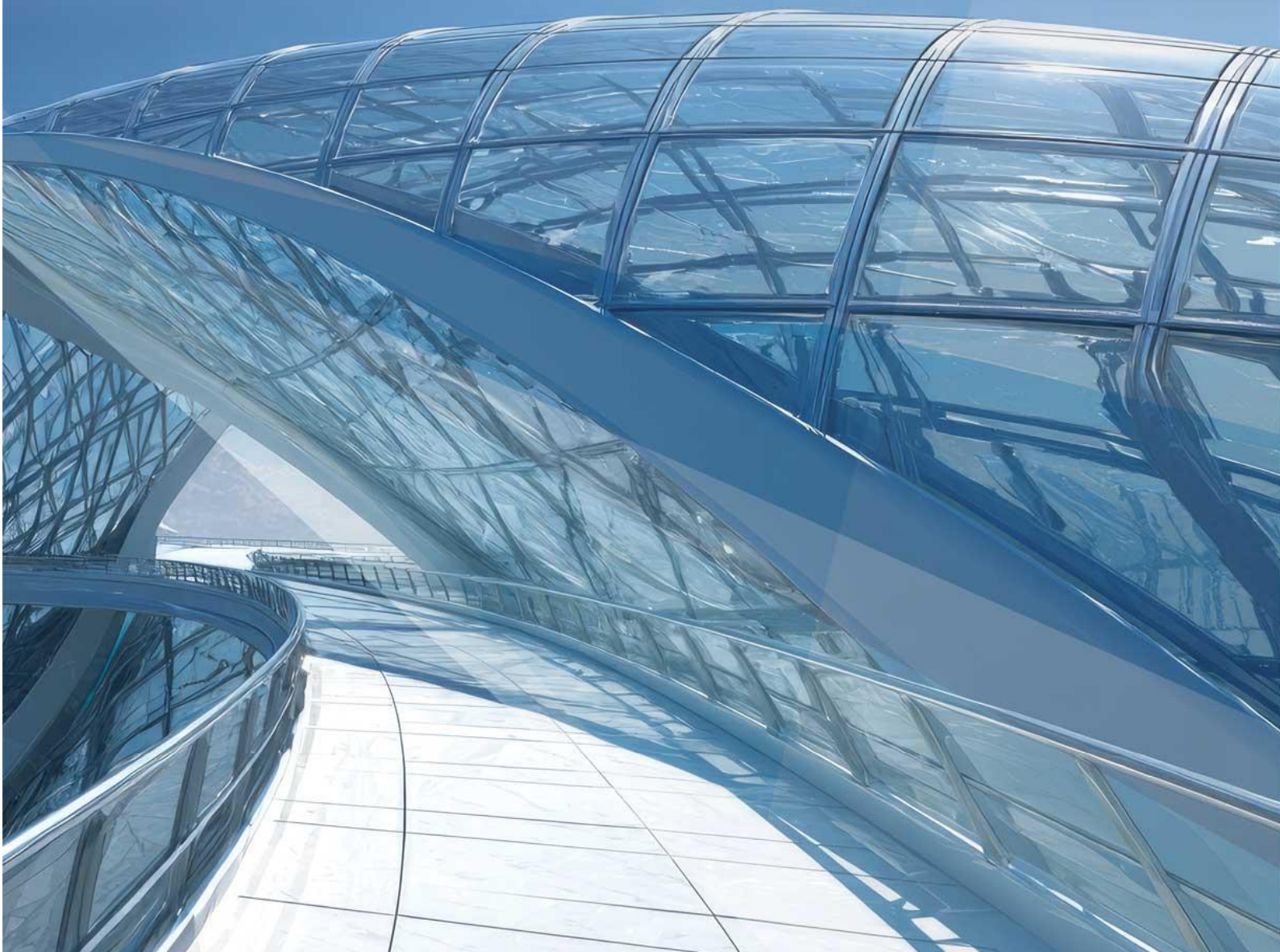
02

EXECUTIVE SUMMARY
PRE-FEASIBILITY STUDY



2 Project Key Numbers

2.1 Design Basis (Base Case)

Iron Bear's metallurgical test work demonstrates the ability to produce high-grade iron ore products with Blast Furnace (**BF**) concentrate grading 69.8% Fe and Direct Reduction (**DR**) concentrate grading 71.0% Fe with ultra-low silica and alumina content. These specifications position Iron Bear products in the highest tier of globally traded iron ore, commanding premiums in markets increasingly focused on high-grade ores for carbon emission reduction. They may also be used for blending with lower grade iron ore to optimise furnace efficiency.

The Base Case design targets the production of 25.9 Mtpa of products comprising 7.3 Mtpa of BF concentrate and 18.6 Mtpa of DR pellets over a 40-year Life-of-Mine. The processing flow sheet employs conventional primary crushing, closed-circuit autogenous grinding (AG-milling), ball mill grinding and wet low-intensity magnetic separation (**LIMS**). Tertiary grinding to 32 microns enables final magnetic separation to produce BF grade concentrate, with a portion upgraded through reverse flotation to DR specifications for subsequent pelletising.

The base case scenario is based on 3 process trains, each with nominally 9.2 Mtpa of BF concentrate output capacity, which are installed sequentially at the mine site. The first stage is built and commissioned over 5 years, and the subsequent two process trains are built and commissioned over 3.5 years each. The second and third process trains include a reverse flotation circuit, for the conversion of BF concentrate into DR concentrate. The second and third process trains are also associated with two pellet plants, with a nominal capacity of 9.3 Mtpa, which are located near the port of Pointe-Noire. The two 816m^2 straight grate pellets plants convert the DR concentrate into DR pellets.

Operations are designed for 8,000 hours annually utilising 100% renewable hydropower provided from Churchill Falls located approximately 342km from the mine site in Newfoundland Labrador. The power is provided by three 315kV powerlines from Churchill Falls, with each power line dedicated to a production stage and added in sequence accordingly. The BF and DR concentrate is transported by the heavy haul rail infrastructure to the port of Pointe-Noire for pelletising or export. During Stage 1 an existing port operator manages all material handling. Once the port infrastructure is constructed and commissioned for Stage 2 along with the first pellet plant, the material handling transitions to Company-operated facilities.

The Base Case design incorporates a wet (centreline-raised) solution with progressive pit backfilling with coarse waste rock.

2.2 Project Physicals

Table 1 Key Production Assumptions

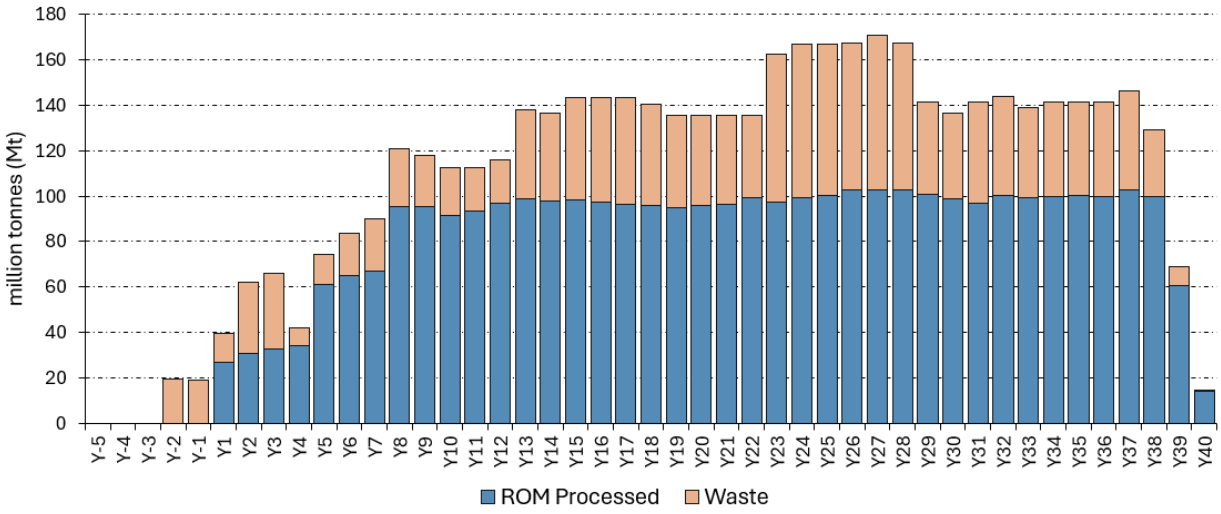
Key Assumption	Unit	LOM Value
Production Assumptions (common to all scenarios)		
Probable Ore Reserve	billion tonnes	3.3
Ore Reserve Grade — Total Fe	%	29.1
Ore Reserve Grade — Magnetic Fe	%	19.8
Total LOM Mill Feed Inventory (Production Target)	billion tonnes	3.4
of which Probable Ore Reserve	%	95
of which Inferred Mineral Resource	%	5
Waste Mined	billion tonnes	1.51
Total Material Movement	billion tonnes	4.95
Strip Ratio (Life of Mine)	Waste/ore	0.44
Peak Annual Material Movement	Mtpa	≈ 165
Mine Life	years	40
Process Feed Rate (steady state)	Mtpa	100
Process Recovery — MagFe to BF Concentrate	%	97.6
Process Recovery — MagFe to DR Concentrate	%	88.7
Steady-State BF Concentrate Product	Mtpa	≈ 27.5
BF Concentrate Grade — Fe / SiO_2	% Fe / %	69.1 / 3.5
DR Concentrate Grade — Fe / SiO_2	% Fe / %	71.0 / 1.2
Pellet Plant Capacity (each, nominal)	Mtpa	9.3

Table 2: Iron Bear Mineral Resource Estimate at 12.5% magnetic Fe cut-off grade (12 May 2026)

Category	Tonnes (Billion)	Total Fe%	Magnetic Fe%
Indicated	4.5	29.46	20.6
Inferred	9.1	30.31	20.73
Total	13.6	30.03	20.68

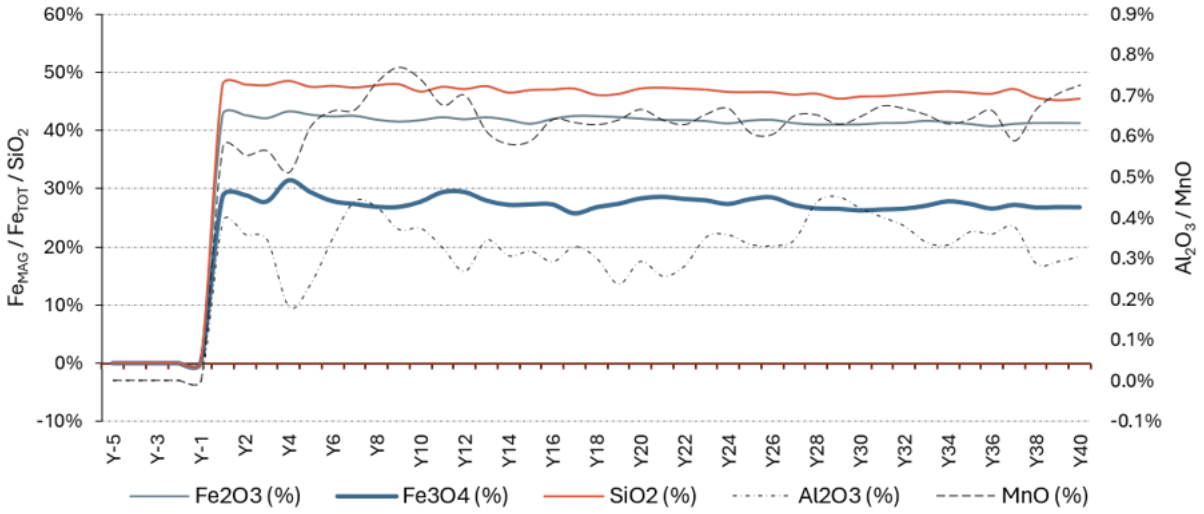
Total material movement over the mine life reaches 4,950 million tonnes, comprising 3,440 million tonnes of Run of Mine (ROM) mill feed and 1,513 million tonnes of waste rock at an average strip ratio of 0.44:1.

Figure 2: Material Moved and ROM Processed



The ROM feed averages 29.1% total iron and 19.9% magnetic iron content over the Life-of-Mine.

Figure 3: ROM Grades LOM



The Base Case production target profile is shown in Figure 2, illustrating the three-stage production ramp up. Production of Stage 1 starts in Year 1 with 8.1 Mtpa of BF concentrate, expanding to 11.1 Mtpa in Year-4. The second Stage production kicks in Year 5 with the start of the first pellet plant which ramps up over 3.5 years (modelled as four years) to a nominal 9.3 Mtpa pellet production. The third Stage starts in Year 8 and ramps up over 3.5 years (modelled as three years). The overall operation reaches a steady state production of ~ 7.3 Mtpa of BF concentrate and ~ 18.6 Mtpa of DR pellets with major shutdowns of each pellet plant once every five years generating a small excess of DR concentrate production.

2.3 Project Financials (Base Case)

2.3.1 Project Free Cash Flows (nominal)

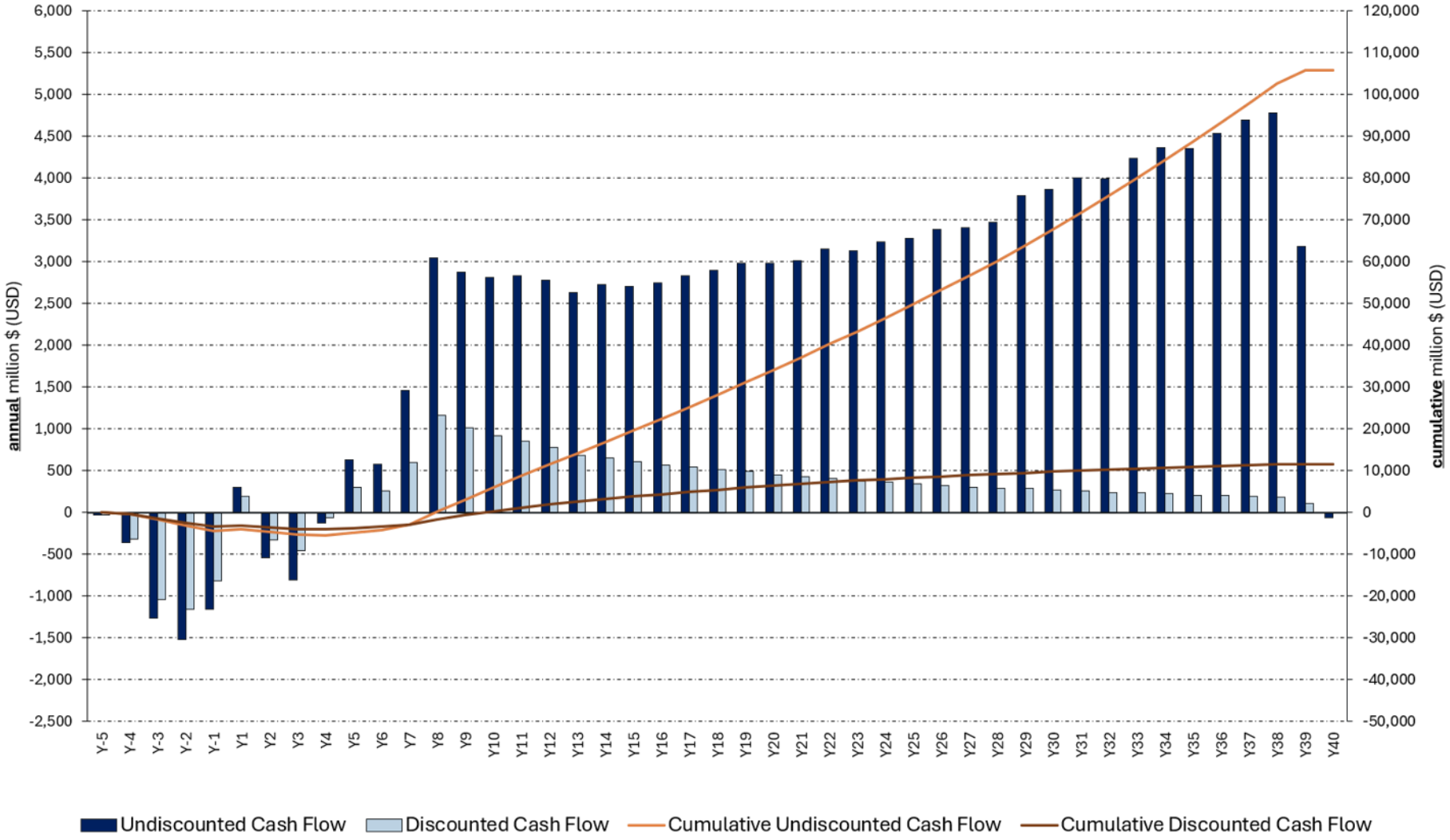


Figure 4: Base Case — Cumulative Cash Flows (nominal USD, pre-tax and post-tax, showing payback)

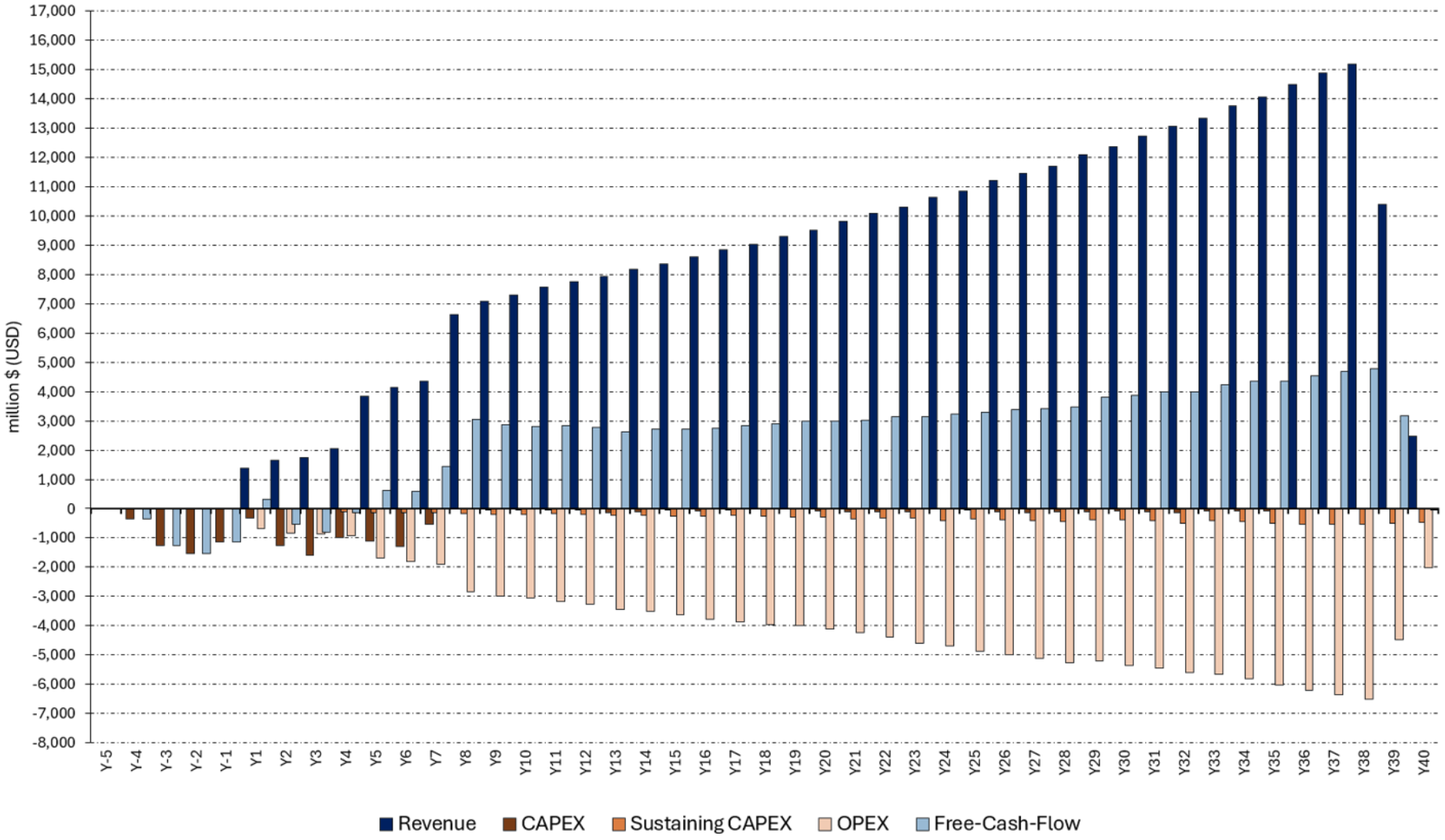


Figure 5: Base Case — Annual Life-of-Mine Cash Flows (nominal USD, pre-tax and post-tax)

2.3.2 Capital Cost Estimates

The capital cost estimate has been estimated to the AACE Class 4 estimate guidelines[1] with an anticipated accuracy level range between -25% to +25%. All capital costs are expressed in USD and include provisions for direct costs, indirect costs, contingency, and future escalation to support project planning and investment decisions.

Table 3: Capital Cost — Scenario 1, Base Case (MUSD, real Q1 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	491	60	1,253	1,804
Concentrator	916	887	456	2,259
Tailings	326	-	-	326
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	623	291	133	1,047
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	616	536	460	1,612
Contingency	631	598	369	1,598
Total Production CAPEX	**4,044**	**3,522**	**3,414**	**10,979**

[1] Comminution Circuit to AACE Class 5 for this release.

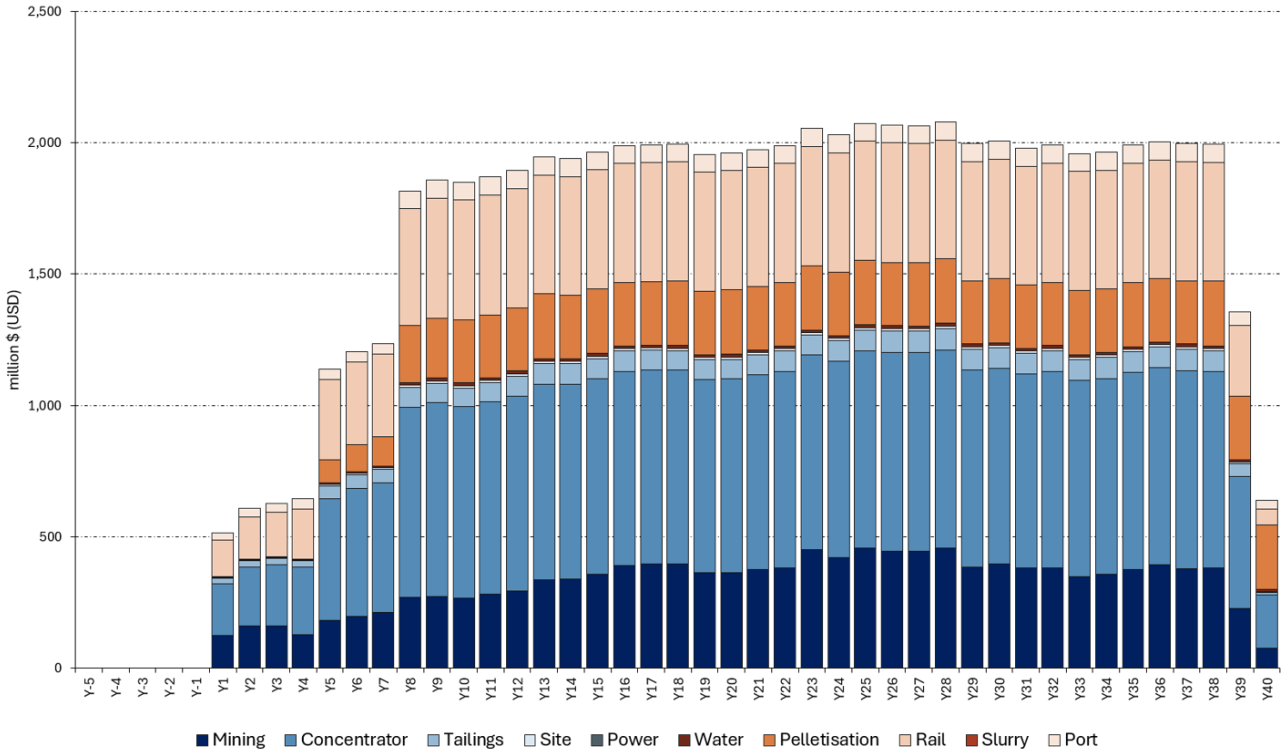
2.3.3 Operating Cost Estimates

The operating cost estimate has also been developed to AACE Class 4 estimate guidelines.

Table 4: Operating Cost — Scenario 1, Base Case (USD/t of sales, real Q1 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.2	11.0	14.4
Concentrator	23.9	26.9	29.3
Tailings	2.4	2.8	3.0
Site Infrastructure and Services	0.3	0.3	0.3
Water Management	0.4	0.4	0.5
Pelletising	-	5.6	11.2
Rail	17.1	17.4	17.3
Port Handling and Loadout	3.5	2.2	2.8
Cash Cost (FOB Pointe-Noire)	**62.8**	**66.7**	**78.8**

Figure 6: Base Case — Life-of-Mine Operating Expenditure (real 2026 USD).



2.4 PFS Operational Scenarios

2.4.1 Operational Scenarios Description

The Base Case defines a technically robust and commercially attractive development pathway for the Project. It comprises a 40-year mine life supported by a three-train concentrator plant expanding to a nominal 27.5 Mtpa of BF concentrate production, heavy-haul rail transport of concentrate to Pointe-Noire, two travelling-grate pellet plants commissioned in line with the staged expansion of concentrate production, and a centreline-raised wet slurry tailings storage at the mine site.

During the PFS, several alternative development strategies were evaluated to identify opportunities to improve project economics, optimise capital deployment, reduce infrastructure risk, and maximise long-term value creation. Three scenarios to AACE Class 4 accuracy were selected, each isolating a single strategic variable against an otherwise identical Base Case so that the economic impact of that variable can be assessed independently:

- **Scenario 1 – Base Case.** Rail transport of concentrate to Pointe-Noire, wet (centreline-raised) tailings storage, and a levelized cost of energy (LCOE) charge for power supply on the assumption that the power transmission infrastructure is constructed, owned and operated by a third party. The LCOE treatment is described in Section 6.3.1.
- **Scenario 2 – Slurry Pipeline.** The Base Case with the rail logistics solution replaced by a 616 km buried slurry pipeline (with an integrated return-water pipeline) from the mine site to Pointe-Noire. All other elements, including wet tailings and the LCOE power treatment, are held identical to the Base Case.
- **Scenario 3 – Dry Stacked Tailings.** The Base Case with the wet (centreline-raised) tailings solution replaced by a filtered dry-stacked tailings facility. All other elements, including rail transport and the LCOE power treatment, are held identical to the Base Case.

2.4.2 Operational Scenarios Financials

The summary of the financial evaluation is presented in Table 5 for all three scenarios. Unlevered free cash flows on a pre-tax and post-tax basis were calculated on a nominal basis, with the escalation rates set out in Table 17 applied to CAPEX, OPEX, closure costs and product realised prices over the life of the Project. The resulting nominal cash flows were discounted at a nominal WACC of 8.0% using a mid-year convention referenced to the start of construction. All scenarios are based on a long-term real-terms forecast P65 index price reflecting Wood Mackenzie expectations for high-grade iron ore over the LOM, with DR concentrate and DR pellet premiums established at PFS-stage market benchmarks

Table 5: Economic Summary — Scenario Comparison

Economic Result	Scenario 1 Base Case (Rail)	Scenario 2 Slurry Pipeline	Scenario 3 Dry Tailings
Configuration			
Concentrate transport	**Rail**	**Slurry pipeline**	**Rail**
Tailings storage	**Wet (centreline)**	**Wet (centreline)**	**Dry stacked**
Capital Cost (real terms, Q1 2026 base year)			
Pre-Production CAPEX (MUSD)	4,044	6,390	4,668
Life-of-Mine Production CAPEX (MUSD)	10,979	12,743	11,604
Life-of-Mine Sustaining CAPEX (MUSD)	5,905	5,913	4,433
Pre-Tax Results (nominal cash flow, 8% discount rate)			
NPV at 8% WACC (MUSD)	20,238	22,498	18,414
Internal Rate of Return (%)	21.6	19.8	19.5
Undiscounted Payback 10 (years from first cash inflow)	8	8	8
Post-tax Results (incl. tax holidays per Section 6.6.2)			
NPV at 8% WACC (MUSD)	11,614	12,694	10,451
Internal Rate of Return (%)	17.9	16.4	16.2
Undiscounted Payback (years from first cash inflow)	8	9	9
Sustainability			
Scope 1 CO_2 intensity (kg/t sales)	29	23	29

2.5 Project Development Plan and Key Risks

The Iron Bear Project is underpinned by a clear operational plan to rapidly de-risk the asset and to enable a Decision to Mine (DTM) in four to six years, subject to the timelines required for approvals and permitting which are not within the control of the Company.

One important factor which will impact the approvals timelines, is the Building Canada Act passed in June 2025 by the Parliament of Canada, which outlines an accelerated and streamlined federal regulatory approvals process for major projects, recognized as being of National Significance. This new piece of legislation passed by the Mark Carney government reflects a renewed focus in Canada for developing strategic natural projects which extends also to provinces of Newfoundland Labrador and Quebec. It is also important to note that high purity iron ore was added in June 2024 to the list of Critical Metals.

In May 2026, the Company applied to the Major Projects Office for recognition of the Iron Bear Project as a Project of National Significance in Canada. For more information on this, please refer to IBR's ASX release dated 3rd of June 2026.

The Iron Bear Strategic Development Plan below outlines the key operational milestones.



Figure 7: Project Iron Bear Strategic Development Plan

Section 8 of this Study outlines the Project risk management process and risk register to manage the risks that have a direct influence on the Company and the Iron Bear Project, including environmental risks, operational risks and financial risks.

Key permitting risks relate to social acceptability and achieving IBAs (Impact Benefit Agreements) with the relevant indigenous groups. IBAs are a critical component to the Environment Impact Assessments that need to be approved by the relevant provincial and federal government agencies for the Project to proceed.

Key environmental risks relate to ground water and surface water, waste management/ tailings facilities, dust and noise, biodiversity and greenhouse gas emissions.

Key operational risks include processing challenges, infrastructure development, geotechnical risks, mine development, resource and reserves, labour and skills and supply chains.

Key financial risks relate to operating costs and market volatility. The Company will need to secure funding for the Bankable Feasibility Study and the other activities required to achieve a Decision To Mine through debt, equity or strategic partnerships. There is no certainty such funding would be available on acceptable terms, or at all, and the Project may not proceed.

Other key risks include cultural, heritage and community relations and regulatory approvals.

The Project will also require pre-production capital investment of approximately USD 4.0 billion. There is no certainty that funding for the pre-production capital would be available on acceptable terms, or at all, and the Project may not proceed.

Investors should note that this Pre-Feasibility Study contains forward-looking statements subject to known and unknown risks, and actual results may differ materially from those projected.

2.6 Project Funding

The Company currently estimates that approximately 50 MUSD will be required to advance the Iron Bear Project to a Decision to Mine (DTM) and complete the activities outlined in the Development Plan. Projects of Iron Bear's scale are typically developed with the support of strategic, offtake and/or project finance partners. Each may require specific studies, independent reviews, test work, permitting or environmental and social standards to be met before committing capital. The quantum, scope and timing of pre-DTM expenditure will therefore reflect the requirements of the Company once funding is secured and may differ from the current planning basis. In addition, once DTM has been achieved, the Iron Bear project will also need to secure a pre-production capital investment of approximately USD 4.0 billion.

The Project is 100% owned by the Company, which is assessing funding options for the remaining work to DTM. The Company considers that the economics outlined in this study provide a reasonable basis to expect that the required pre-production Capex can be secured through a mix of equity, debt financing, strategic partnerships and offtake agreements.

While the Company maintains a positive outlook regarding funding prospects, there can be no guarantee that the required study and development capital will be available on acceptable terms within the necessary timeframes.

Given these inherent uncertainties in project financing, investors are cautioned against making investment decisions based exclusively on this study's findings. The availability and terms of future funding remain subject to project advancement, and broader economic factors beyond the Company's control.

2.7 Study Contributors

The following organisations have contributed to this study:

- Hatch Ltd (Process plant)
- Danieli Newfer (Process Plant)
- Toornado Metallurgy Pty Ltd (Process Plant)
- Iron Bear Resources Ltd, Corem, (metallurgy)
- Snowden Optiro Pty Ltd (resource and mining)
- TME Mine Consulting Pty Ltd (Ore Reserves)
- Hatch Ltd (non-process infrastructure)
- Fortin Pipelines Pty Ltd (slurry and return water pipeline)
- Sikumiut Environmental Management Ltd. (SEM) (Environmental)
- Transfert Environnement et Société and GHD Group Limited (Social)
- IDOM Consulting (pellet plant)
- Ammjohn Solutions Pty Ltd (pilot plant)
- BDO International, Modjadji Consulting Pty Ltd (financial model auditing)
- BDO International (tax advice)

Owner's Team

- Ammjohn Solutions Pty Ltd (Study management)
- BBA Consulting (Process SME, Tailings SME)
- Aglom SA (Pelletising SME)
- Turner and Townsend Group Ltd (Estimation)
- IOS Services Géoscientifiques Inc (Geology SME)
- Scott Steel (Construction SME)
- Current Consulting Pty Ltd (Electrical SME)
- Snowden Optiro (Mining SME)
- Bastion Geotechnical Pty Ltd (Geotechnical SME)
- TME Mine Consulting Pty Ltd (JORC SME)

2.8 Competent Persons

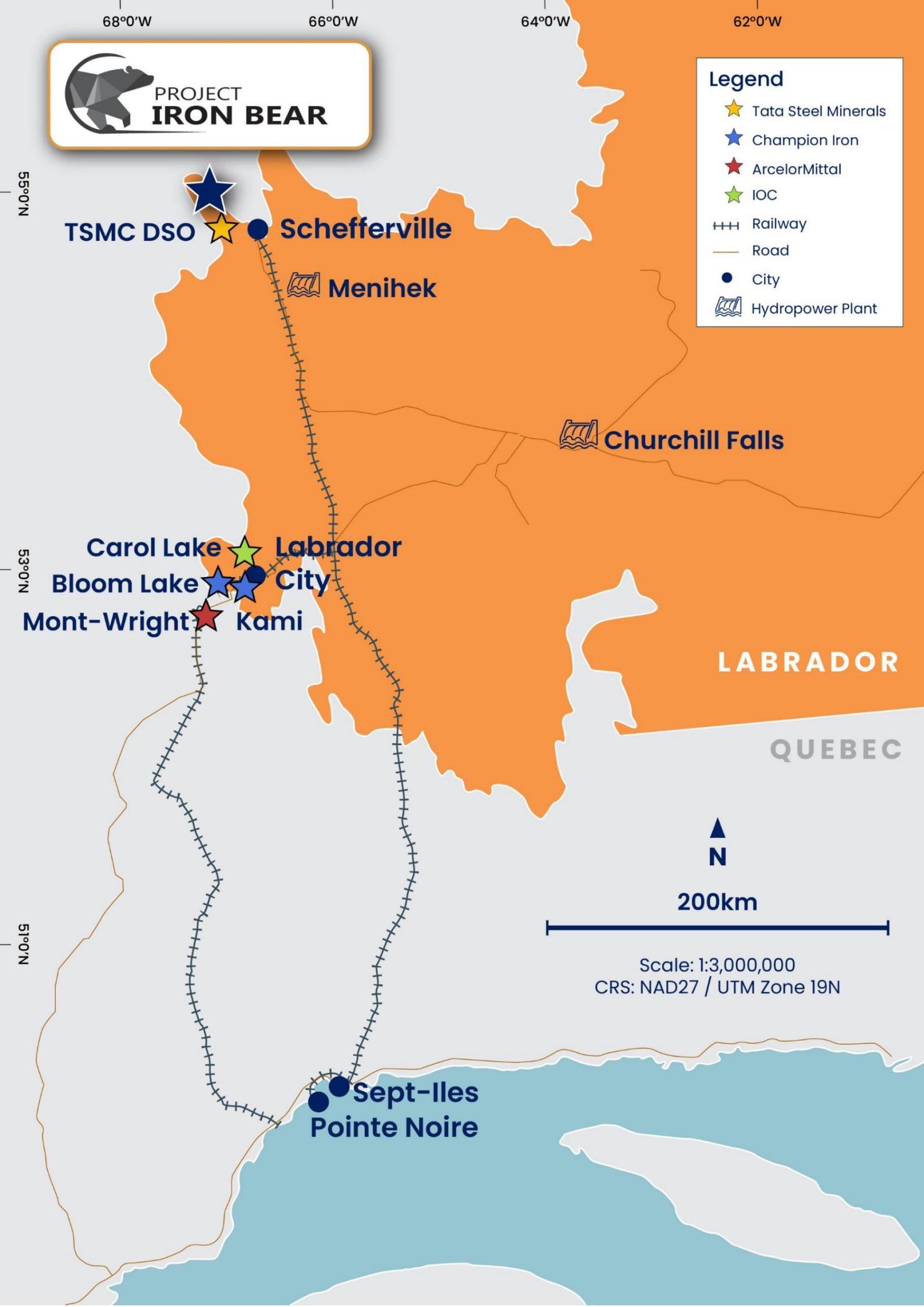
Metallurgy and processing information has been reviewed and compiled by Paul Vermeulen MAusIMM, MAIST, a Director of Vulcan Technologies Pty Ltd, who has sufficient experience which is relevant to the method of processing under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Vermeulen consents to the inclusion in the publication of the matters based on his information in the form and context in which it appears.

Vulcan Technologies has assisted IBR in its development of the Iron Bear Project, Vulcan Technologies indirectly holds an interest in IBR, including Performance Rights. Mr Vermeulen has assumed Competent Person responsibility due to his familiarity with the Project.

The information in this announcement that relates to the Iron Bear Project's maiden Ore Reserves is based on information and supporting documentation evaluated and prepared by Mr Joel van Anen, Principal Mining Consultant of TME Mine Consulting Pty Ltd. Mr van Anen is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van Anen has no economic, financial or pecuniary interest in the company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Ore Reserves statement included in this announcement is based on, and fairly represents, information and supporting documentation prepared by Mr van Anen. The Ore Reserves statement as a whole has been approved by Mr van Anen and is issued with the prior written consent of Mr van Anen as to the form and context in which it appears. Further information that relates to the Ore Reserve estimate is available in the Company's ASX Announcement dated 29 July 2026 (Iron Bear Project PFS delivers outstanding results), which was completed in accordance with the requirements of the JORC Code 2012 and is available to view on the Company's website, www.ironbearresources.com, and at www.asx.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.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Churchill Falls
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Labrador
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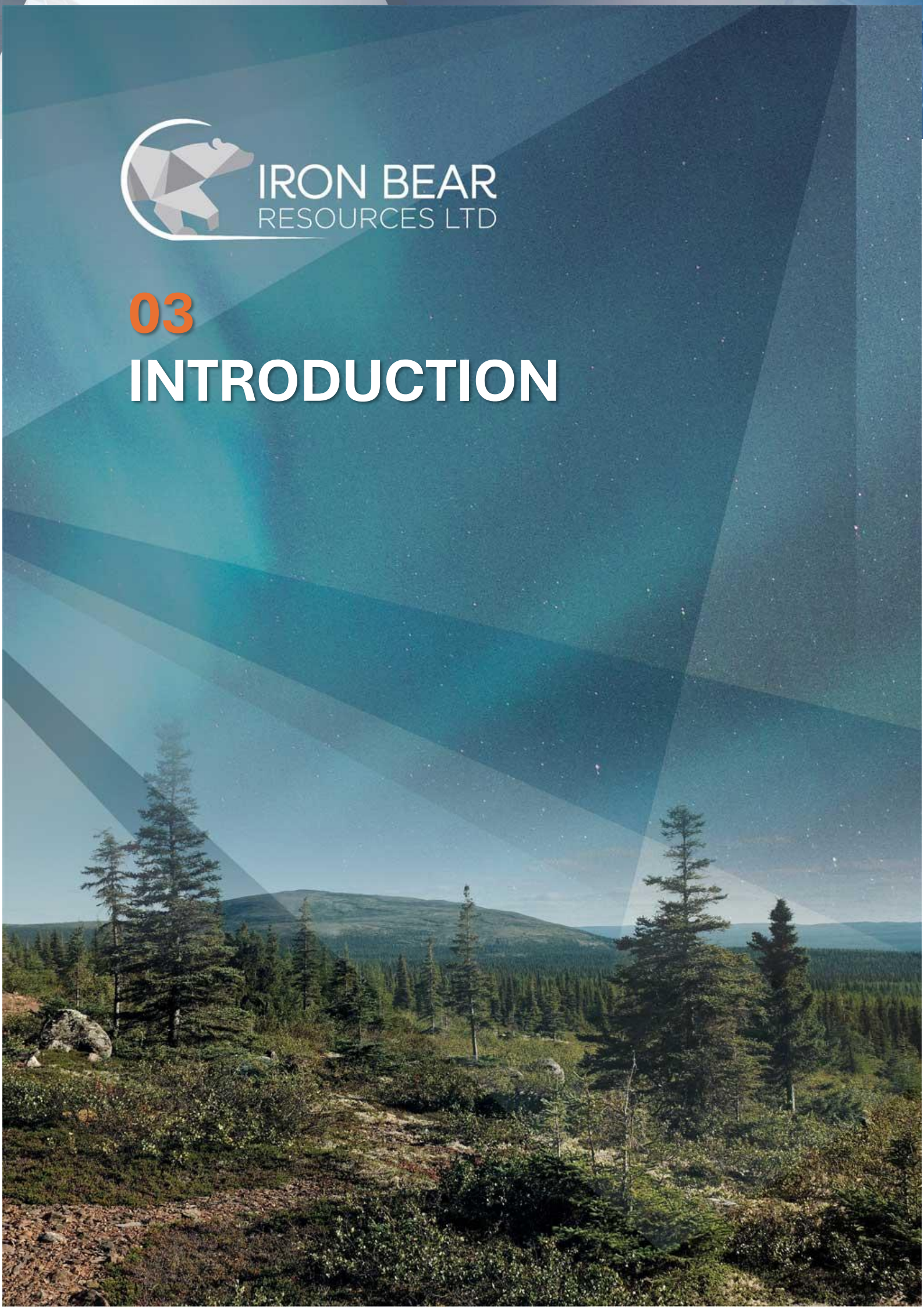
03
INTRODUCTION



3 Location and Climate

The Iron Bear Project consists of eleven licenses totalling 11,025 ha on 441 graticular Mineral Claims under the applicable Labrador and Newfoundland mining regulation, located near the Provincial border of Newfoundland and Labrador (NL) and Quebec (QC), approximately 30 km northwest of the town of Schefferville, QC and 1,200 km by air northeast of Montréal, QC.

The Labrador Trough forms part of the broader Quebec-Labrador iron ore district, a well-established mining region that has supported large-scale iron ore production for over 70 years. The Project is situated approximately 30 kilometres northwest of the town of Schefferville, 250 kilometres north of Labrador City, 550 kilometres north of the Port of Sept-Iles, and 1,200 kilometres northeast of Montreal. Road access to the project site utilises existing forestry and mining roads from Schefferville.

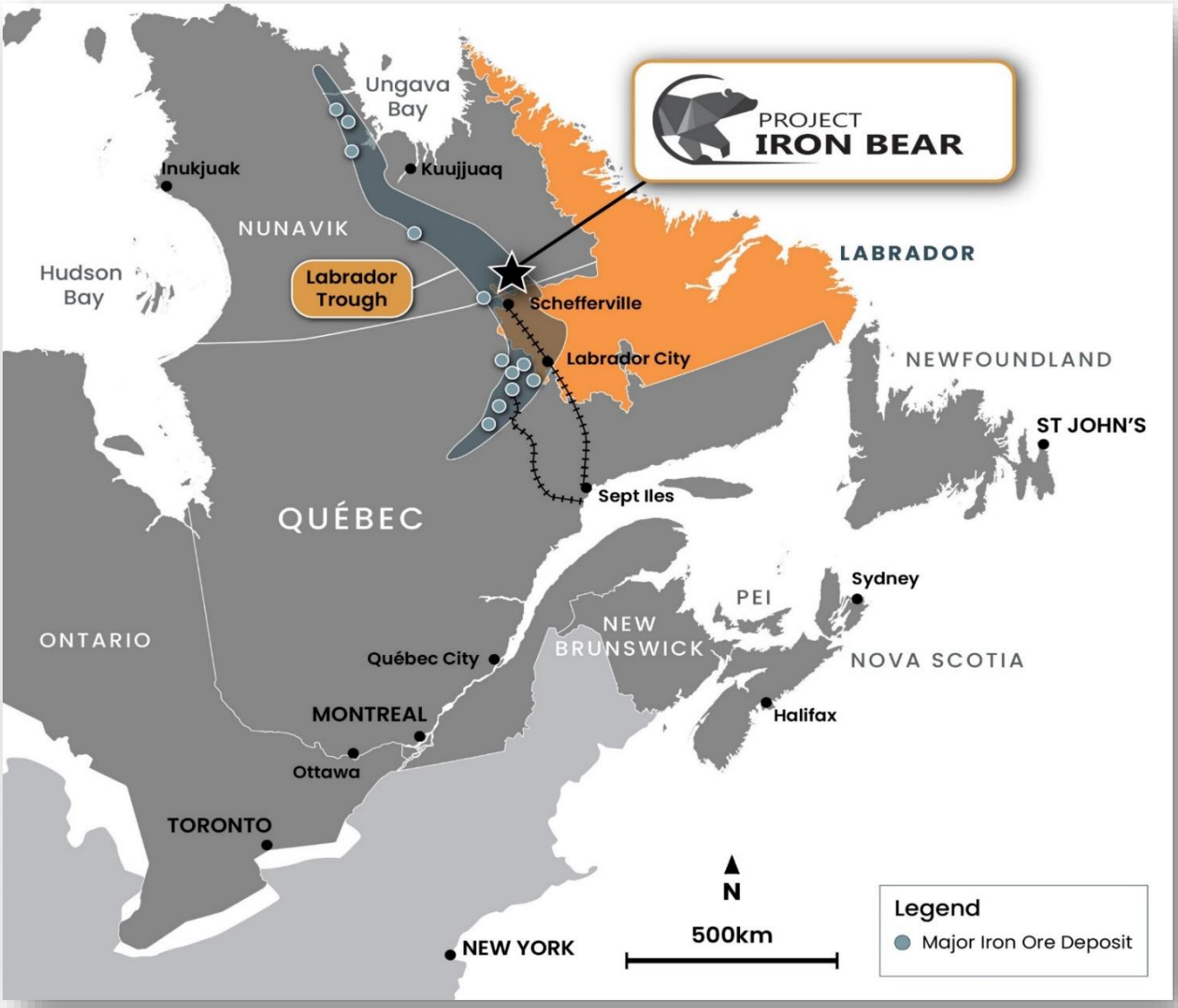


Figure 8: Iron Bear Location

The Port of Sept-Iles is operated by the Sept-Iles Port Authority and has an annual cargo handling capacity of 100 MT, making it the largest mineral port in North America. The port facilitates export of iron ore, aluminium, and other bulk commodities through multiple specialised terminals with deep-water access capable of accommodating large bulk carriers[2]. Rail access to the port is provided by the Quebec North Shore and Labrador Railway, which connects the region's mining operations to ocean transportation infrastructure.

The local climate is sub-Arctic continental, characterized by long winters and short, mild summers. The region receives approximately 900-1,000mm of annual precipitation, with significant snowfall accumulation reaching 3-4 metres during winter months. Average winter temperatures range from -15°C to -35°C, with extreme temperatures potentially reaching -40°C or lower. Summer temperatures typically range from 10°C to 25°C.

The mineralisation is typical of the Labrador Trough, being a magnetite/hematite taconite. The Labrador Trough is a 1,600 km long and 160 km Canadian Proterozoic volcanic and sedimentary basin that extends from Ungava Bay south-southeast through Quebec and Labrador. The Labrador Trough has supported iron ore mining operations since 1954.

3.1 Licences and Claims

The ownership of the Iron Bear project is held by Iron Block 103 Corporation, registered in Newfoundland Labrador, but wholly owned and operated by Iron Bear Resources Ltd.

Licences 014603M, 014855M, 014856M, 018603M, 018610M, and 021841M cover the current mine plan and project area discussed in this Pre-Feasibility Study. Table 6 lists licences currently held in Newfoundland and Labrador by Iron Block 103 Corporation:

Table 6: Iron Bear Claims, Newfoundland Labrador

Licence	Status	# of Claims	Expiry / Renewal Date
014603M	Issued	94	21/02/2028
014855M	Issued	55	24/04/2028
014856M	Issued	27	24/04/2028
017130M	Issued	5	29/01/2030
018603M	Issued	1	07/03/2031
018610M	Issued	8	07/03/2031
021841M	Issued	101	07/03/2031
038811M	Issued	37	19/02/2030
038828M	Issued	15	20/02/2030
038829M	Issued	62	20/02/2030
038830M	Issued	36	20/02/2030
		441	

[2] Source: Port Sept Iles, https://www.portsi.com/knowledge-base/info-source/?lang=en

Figure 9: Map of tenements of Project Iron Bear



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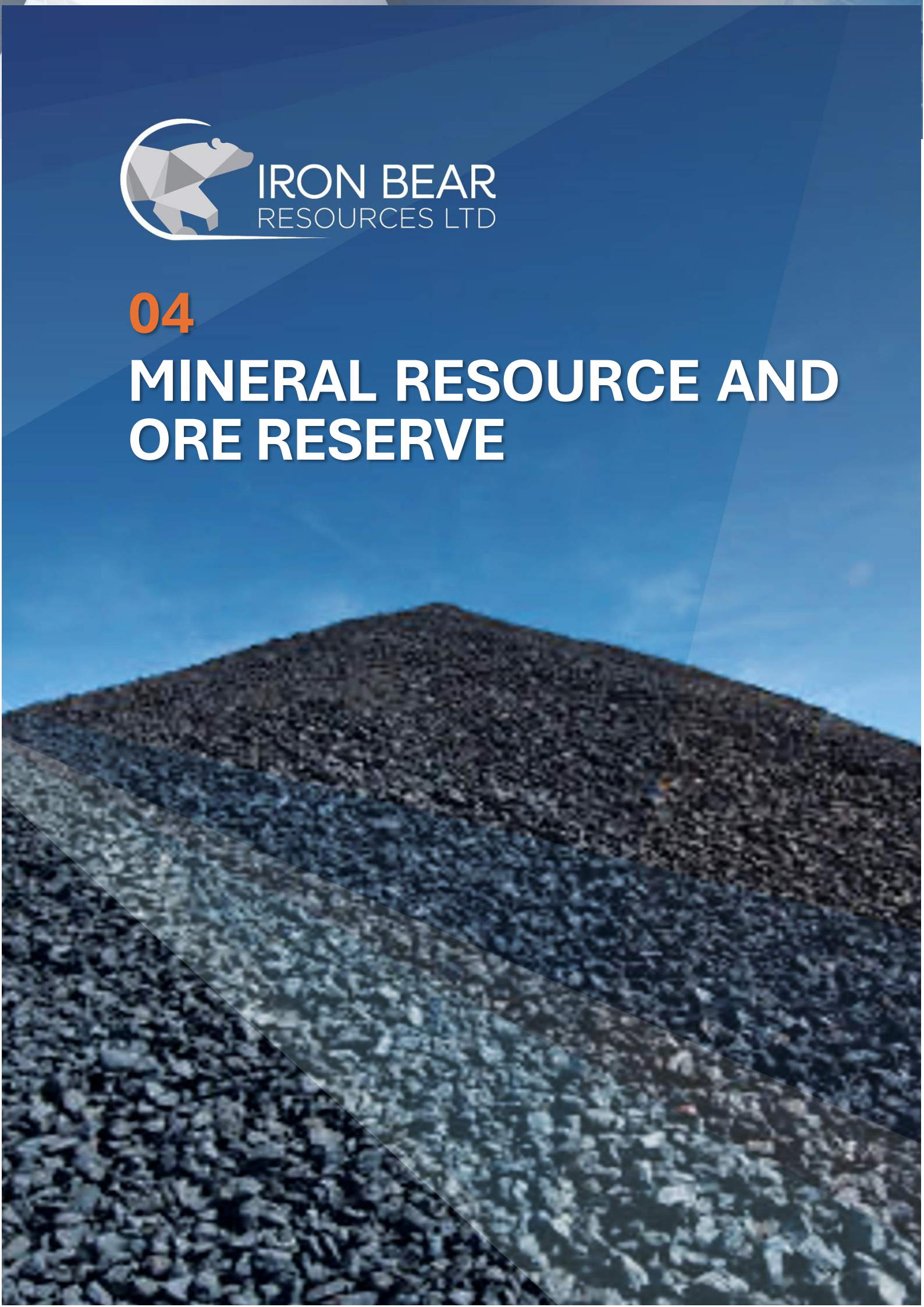
04
MINERAL RESOURCE AND ORE RESERVE



4 Mineral Resource & Ore Reserve

The Project contains a total Mineral Resource estimate of 13.6 billion tonnes at 30.03% Fe, listed by category in Table **7**. This Mineral Resource has been defined using geological boundaries and a cut-off grade of 12.5 weight percent Magnetic Fe (MagFe%). An updated Mineral Resource statement prepared in accordance with JORC Code 2012 was issued to the ASX on 12 May 2026[3].

Table 7: Iron Bear 2026 Mineral Resource estimate reported at a 12.5% MagFe cut-off[3].

Category	Tonnes (Billion)	Total Fe%	Magnetic Fe%
Indicated	4.5	29.46	20.60
Inferred	9.1	30.31	20.73
Total	**13.6**	**30.03**	**20.68**

The maiden Ore Reserve estimate of 3.3 billion tonnes (Bt) of magnetite ore at 29.1% Fe, listed by category in Table 8 and released to the ASX on 29 July 2026, remains unchanged.

The Ore Reserve was re-evaluated in accordance with the JORC Code (2012) for this PFS update incorporating the minor changes to the life of mine plan and subsequent mining costs, process circuit updates, and revised Project Capex and Opex cost estimates as outlined within the body of this announcement. There have been no material changes to the key modifying factors underpinning the estimate in the original market announcement, with all material assumptions and technical parameters continuing to apply with the Project remaining technically achievable and economically mineable to provide up to 100 Mtpa of feed to the process plant at steady state for a nominal 27.5 Mtpa of magnetite concentrate production.

All the Indicated Mineral Resources inside the pit design (Figure 11: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)) that has been scheduled across the presented 40 year mine life for the PFS update are classified as Probable Ore Reserves.

Table 8: Iron Bear Ore Reserve Estimate reported at a 12.5% MagFe cut-off[4,5,6]

Classification[456]	Tonnes (Billion)	Total Fe%	Magnetic Fe%
Proved	-	-	-
Probable	3.3	29.1	19.8
Total	**3.3**	**29.1**	**19.8**

[3],[3]ASX Announcement Indicated Mineral Resource increased to 4.5BT @ 29% Fe" dated 12 May 2026.

[4] The Ore Reserves are a subset of the Mineral Resource Estimate

[5] Tonnages and grades are reported including mining dilution

[6] Tonnages are dry metric tonnes; appropriate rounding has been applied, and rounding errors may occur

The life of mine plan has been updated and re-optimised to maximise net present value, targeting marginal increases to both process feed capacity and production outputs leveraging off the additional design capacities available within the processing circuits. The life of mine plan continues to accommodate the necessary staged development of the mine and the supporting mine infrastructure requirements using suitable assumptions which have been benchmarked against other large scale taconite iron ore projects in the Labrador Trough region.

The Ore Reserve is a subset of the Production Target supporting the forecast financial information presented for the PFS update which includes Inferred mineral resources. The Ore Reserve and economic viability of the project under the assumptions assessed for the PFS update, are not reliant on the Inferred Mineral Resource, which is free carried at cost with zero revenue applied to support the Ore Reserve estimate. The Production Target and forecast financial information presented comprises of 95% Ore Reserves and 5% Inferred Mineral Resources over the mine life.

Figure 10 shows the updated annual mill feed quantities by Probable Ore Reserves and Inferred Mineral Resources, with the mine life reduced to 40 years versus 44 years as presented in the original PFS due to the increased process feed quantities targeted. Figure 11 shows the spatial distribution of both the reserves and inferred resources with respect to the pit design (Figure 12) which remains unchanged. Inferred quantities do peak up to 15% on an annual basis between years 16 and 19 influenced by practical staged pit development, ROM stockpiling limitations, and mine production targets, however, only make up 5.0% of total feed during the payback period and 9.3% during the first 20 years of operations. These limited quantities of Inferred resources within the scheduled mill feed remain immaterial to the Project's economic metrics.

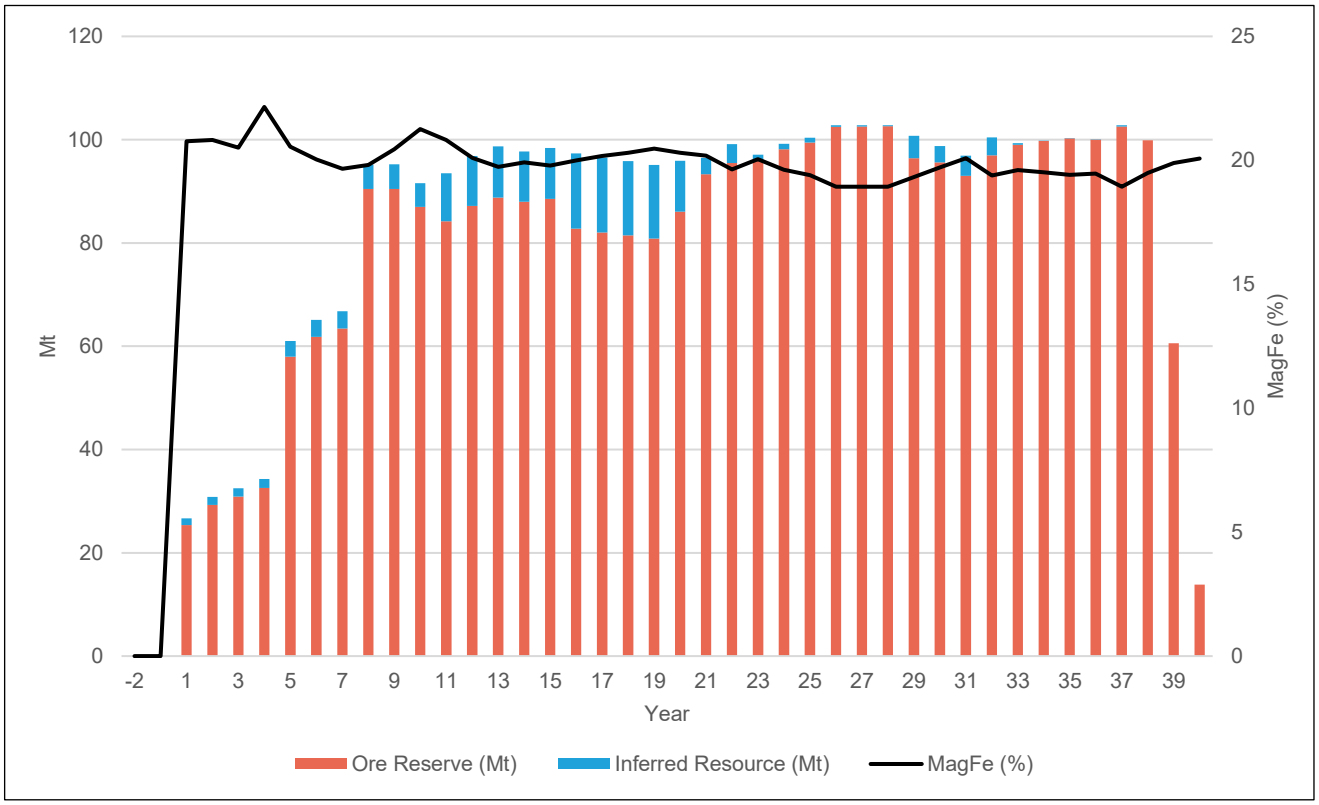


Figure 10: Process Feed Quantities and Grade by classification

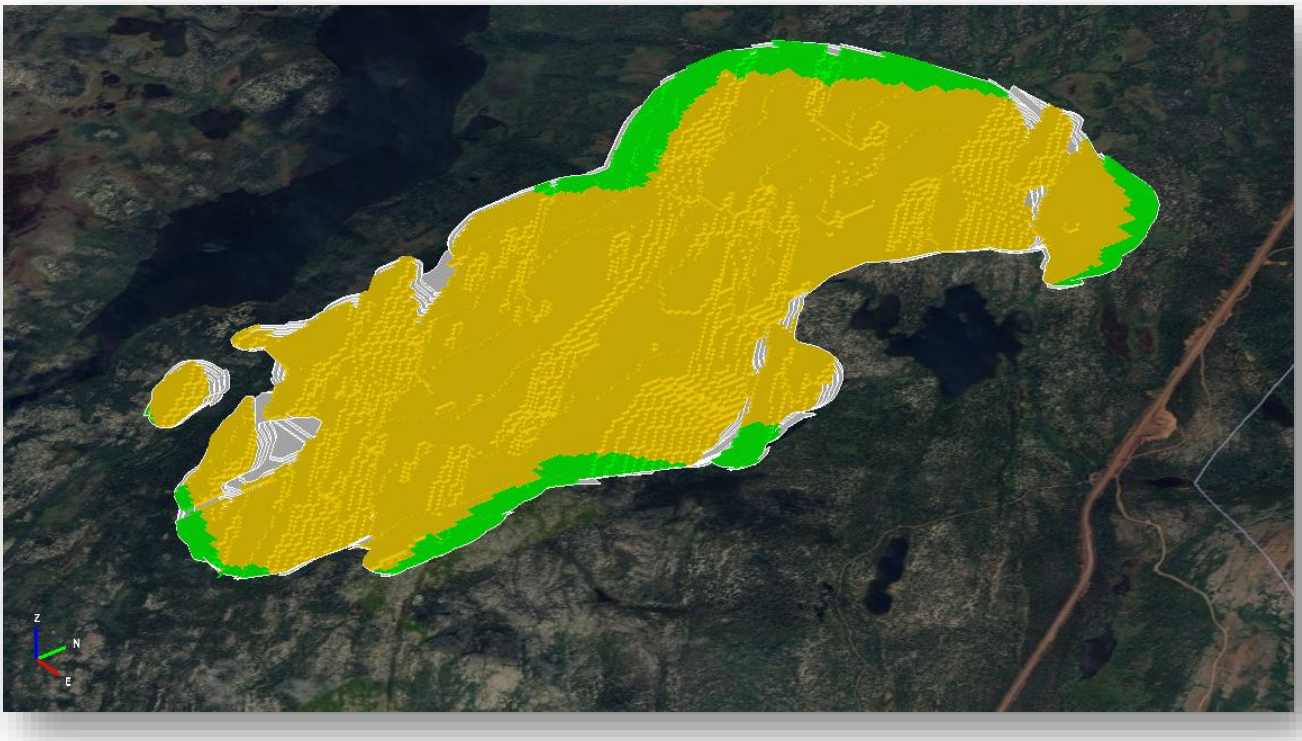


Figure 11: Probable Ore Reserves (gold) and Inferred Mineral Resources (green)

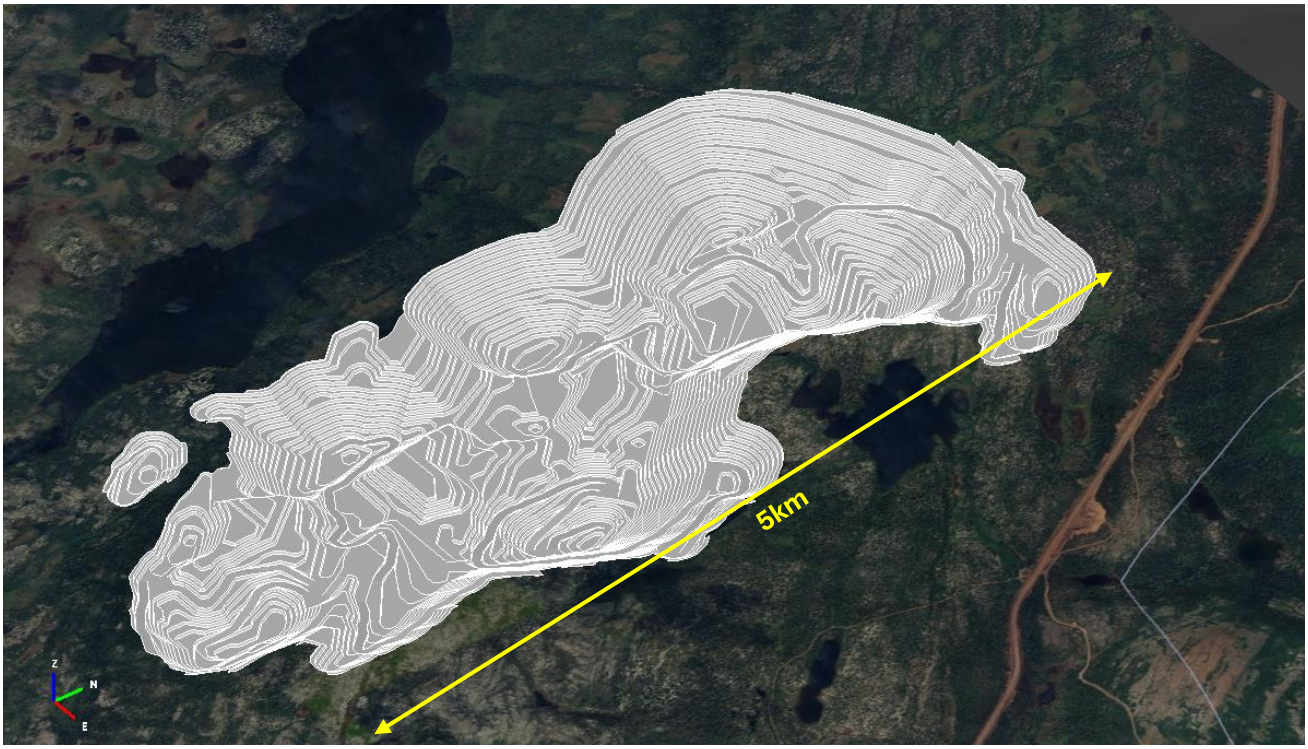


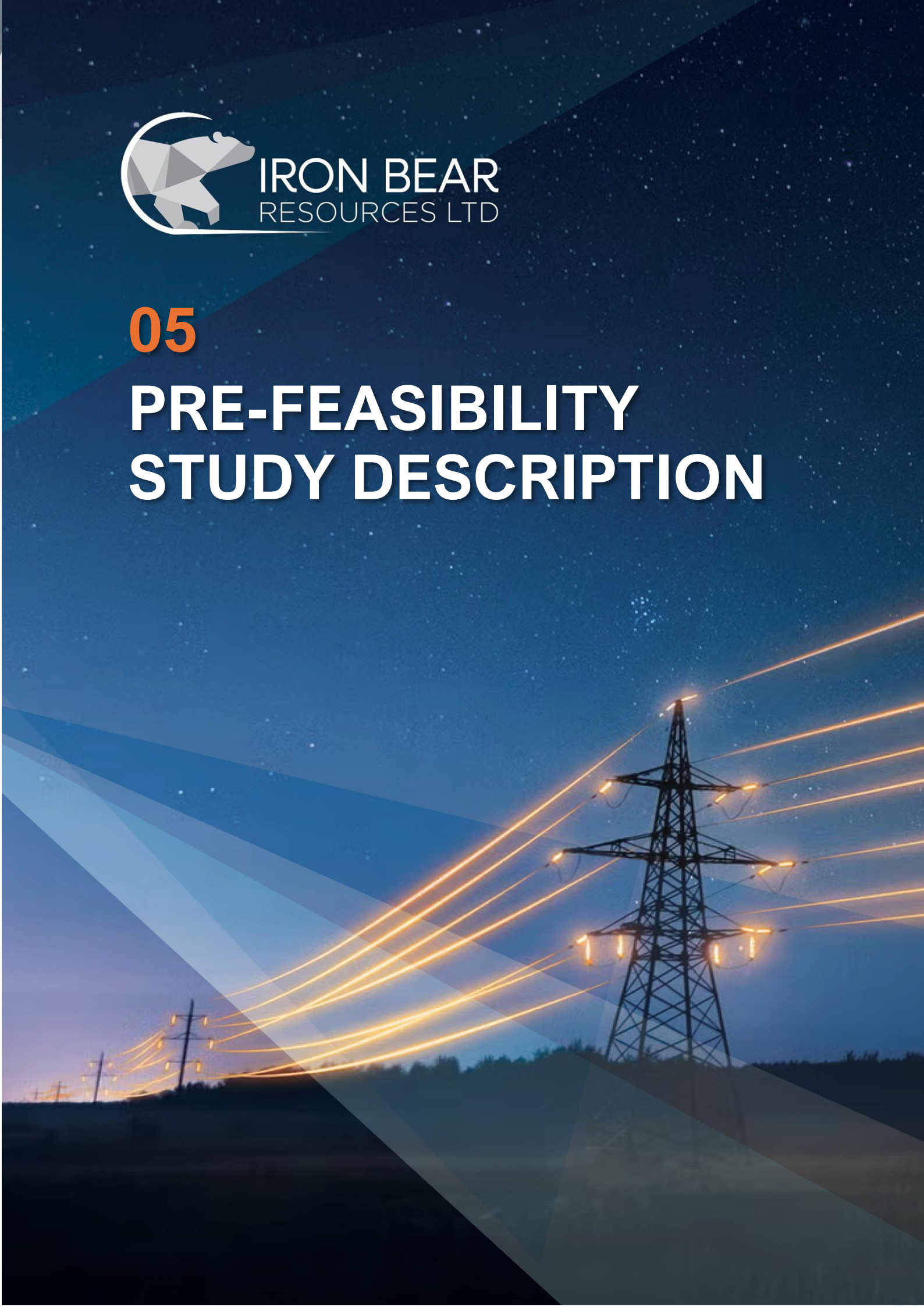
Figure 12: Ultimate Pit Design

Further information pertaining to the minor changes relevant to the Ore Reserve estimate are discussed within the body of this announcement with additional information captured within JORC Table 1 Section 4 disclosures provided as Attachment 1.

IRON BEAR
RESOURCES LTD

05

PRE-FEASIBILITY STUDY DESCRIPTION



5 Pre-Feasibility Study Description

The operation is designed to mine 3.4Bt of Mill Feed Inventory including the reported Probable Ore Reserves and additional Inferred Mineral Resources to process 100 Mtpa of Run-of-Mine (RoM) feed over a planned mine life of 40 years (Production Target). The plant is expected to produce approximately 27.5 Mtpa of Blast Furnace (BF) concentrate at a product specification of 69.1% Fe and 3.5% SiO_2. With reverse flotation at an 88.7% recovery, the concentrate can be upgraded to Direct Reduction (DR) grades of 71% Fe and 1.2% SiO_2 for pelletising.

The final concentrate will be stockpiled on site prior to being transported by rail to downstream facilities at the port of Pointe Noire. From there, the material will either be shipped via seaway or delivered to the pellet plant for further processing prior to shipping.

The pellet plant is based on travelling-grate technology and can produce 8.1 Mtpa to 10 Mtpa, dependent on grate factor and operating days. Key project metrics are summarised in Table 9. All tonnages reported are dry metric tonnes.

Table 9: Iron Bear Project Metrics

Metric	Unit	Value
Mine Life	Years	40
Total LOM Mill Feed Inventory	Bt	3.4
Indicated	%	*95*
Inferred	%	*5*
Total Material Movements (average)	Mtpa	120
Strip ratio LOM	w:o	0.44
Process Feed Rate (steady state)	Mtpa	100
Feed Grades (average)	Fe%	29.1
	MagFe%	19.9
Processing Train capacity (nominal)	Mtpa	9
Phased construction (per Train)	Years	3.5
Total Concentrate Production (nominal)	Mtpa	27.5
Target Product Grades	Fe %	69.1 (BF Concentrate) 71.3 (DR Concentrate)
Process Recoveries	%	26.9 (design mass yield to BF Concentrate) 97.6 (MagFe to BF Concentrate) 88.7 (MagFe to DR Concentrate)
Pellet Plant capacity (nominal – each)	Mtpa	9.3

5.1 Mining and Production

Life of mine (LOM) changes for the PFS update focussed on maximising crushing and processing throughput rates leveraging off the process design capacities available being;

- 103 Mtpa for the comminution circuit
- 27.5 Mtpa for Blast Furnace concentrate production

Additional changes incorporated into the updated mine schedule include a revised processing ramp up to align with a Type 2 McNulty curve, and process plant construction phase cadence adjustments to 5, 3.5 and 3.5 years respectively for each of the three planned processing train construction and commissioning phases.

All other key mine scheduling parameters and assumptions from the PFS (July 2026) remain consistent including;

- Mine schedule was completed in Snowden Optiro's Evaluator scheduling software. This is a Mixed Integer Linear Programming based tool with the objective to maximisation net present value, within a given tolerance, for defined constraints and targets established for the PFS update
- A two-year pre-production period to accommodate site establishment, tailings dam construction waste requirements and a general mining activity ramp-up to align with the target processing ramp-up and construction plan
- The defined pit stages (Figure 13) and pit stage inventories (Table 10) remain as per the PFS outcomes, with only the schedule timing and sequencing of each stage updated where necessary to meet the updated mine schedule targets
- Conventional large-scale open pit truck and shovel mining methods utilising high-capacity electric rope shovels and hydraulic excavators, supported by a fleet of 360 t class rear dump trucks
- Three ex-pit Waste Rock Dumps (WRD's), ROM Pad, connecting haul roads, topsoil stockpiles, and in-pit areas dedicated to in-pit backfilling as the mining sequence allows (Figure 14)
- Mining undertaken on 15 m benches using a standard drill, blast, load and haul cycle
- Direct tipping basis into the crushers with the designed ROM stockpile only intended to manage short-term disruptions to the crushing and conveying system. A total of approx. 5.5Mt of combined stockpile capacity exists on the ROM including proximal rehandle stockpiles and a separate overflow stockpile. No long-term stockpiling is included in the mine design or schedule outputs.

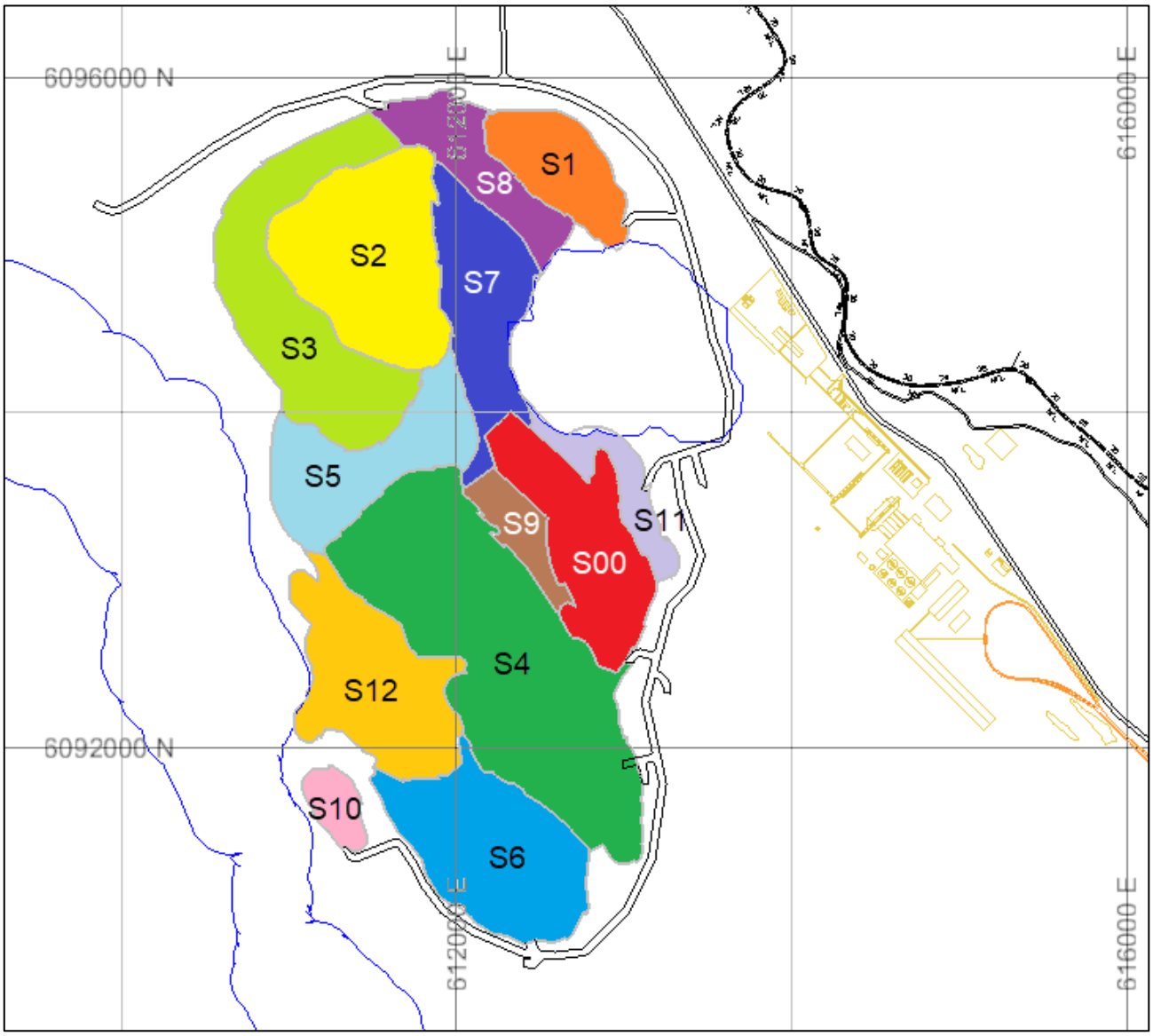


Figure 13: Plan Layout of Pit Stage Designs

Table 10: Pit Stage Total Inventory Summary

Stage	Mill Feed Inventory (Mt)	MagFe %	Waste (Mt)	Strip Ratio (w:o)
0	4	17.4	94	0.03
1	69	22.8	6	0.09
2	188	21.2	47	0.25
3	584	20.9	207	0.36
4	506	19.9	121	0.24
5	334	19.4	136	0.41
6	169	18.1	74	0.44

7	181	19.0	128	0.71
8	557	19.8	310	0.78
9	204	19.4	62	3.14
10	9	19.6	5	0.24
11	398	19.5	182	0.46
12	236	18.8	140	7.04
Total	**3,439**	**19.9**	**1,513**	**0.44**

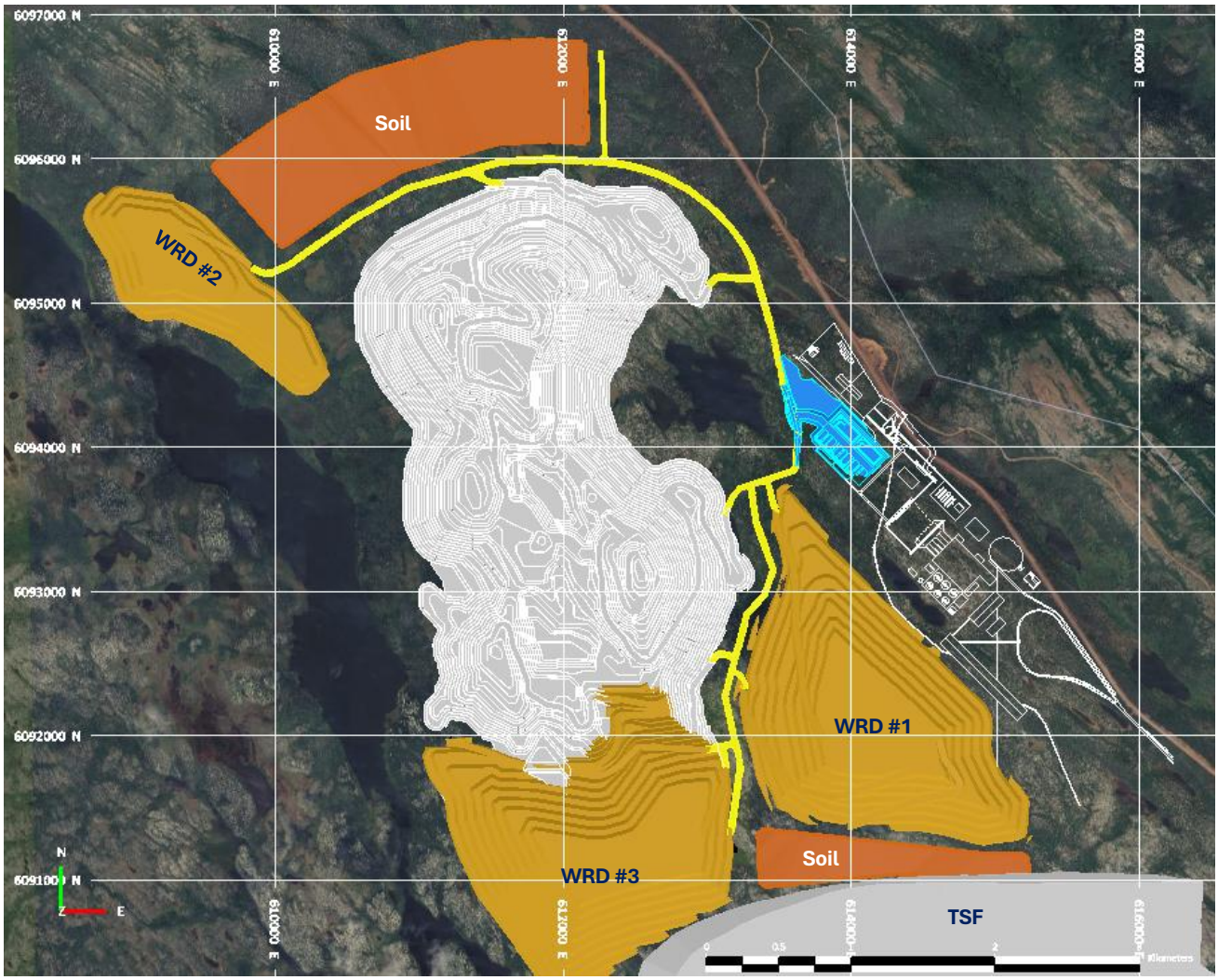


Figure 14: Mine Design Layout

A summary of the LOM schedule outputs are shown in Figure 15. Consistent with the previous PFS results, the total ex-pit movement increases progressively during the early years as mining operations are established and additional equipment is deployed. Peak mining rates occur during the middle of the mine life, particularly in the period from approximately Year 23 to Year 28. This corresponds to the development of higher strip ratio areas associated with the upper benches of later pit stages.

During this period:

- waste movement increases significantly
- fleet requirements peak
- haulage distances are generally higher due to limited access to in-pit backfill locations

Following this peak, mining rates decline as the pit deepens and in-pit backfilling becomes more accessible, reducing haul distances and smoothing material movement.

The increased processing rates targeted with this PFS update have shortened the mine life by approx. 4 years, with other schedule changes including total material movements and total mining fleet requirements considered to be immaterial to the previous schedule results, being an average total mining rate increase of 5 Mtpa across the LOM, and a maximum of seven additional dump trucks, to 65 units, to achieve the peak mining requirements later in mine life.

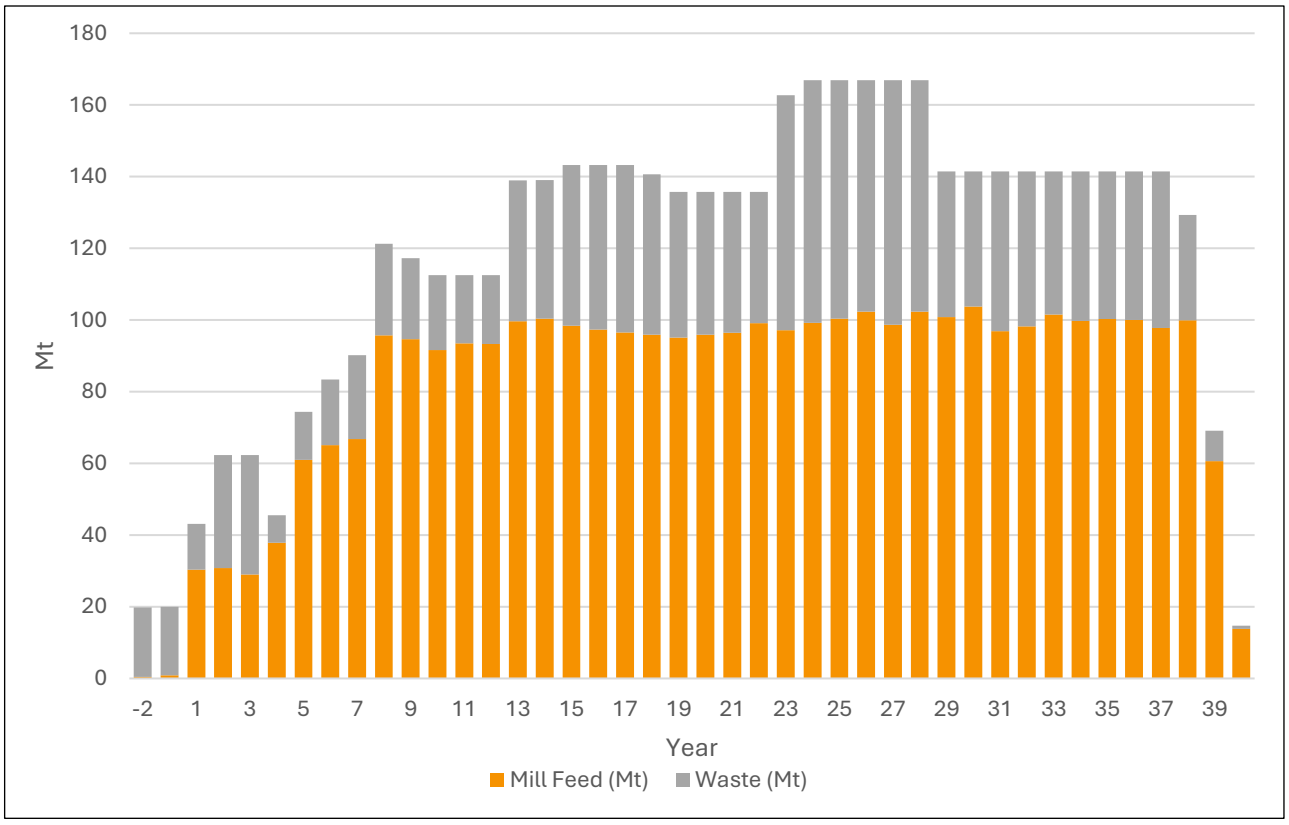


Figure 15: Mined Quantities

Mill feed grades are relatively consistent, averaging approximately 20% MagFe, with a gradual decline toward the end of the mine life as lower grade material is processed (**Figure *16***), an outcome of the scheduling objective used. As per the previous PFS, this does result in higher quantities of Inferred resource being included in the mill feed from years 11 to 20, up to 15% on an annual basis across a four-year period within that timeframe. Consistent with the previous LOM schedule results, the Inferred resources within this updated mine schedule remain immaterial to the Projects economic outcomes.

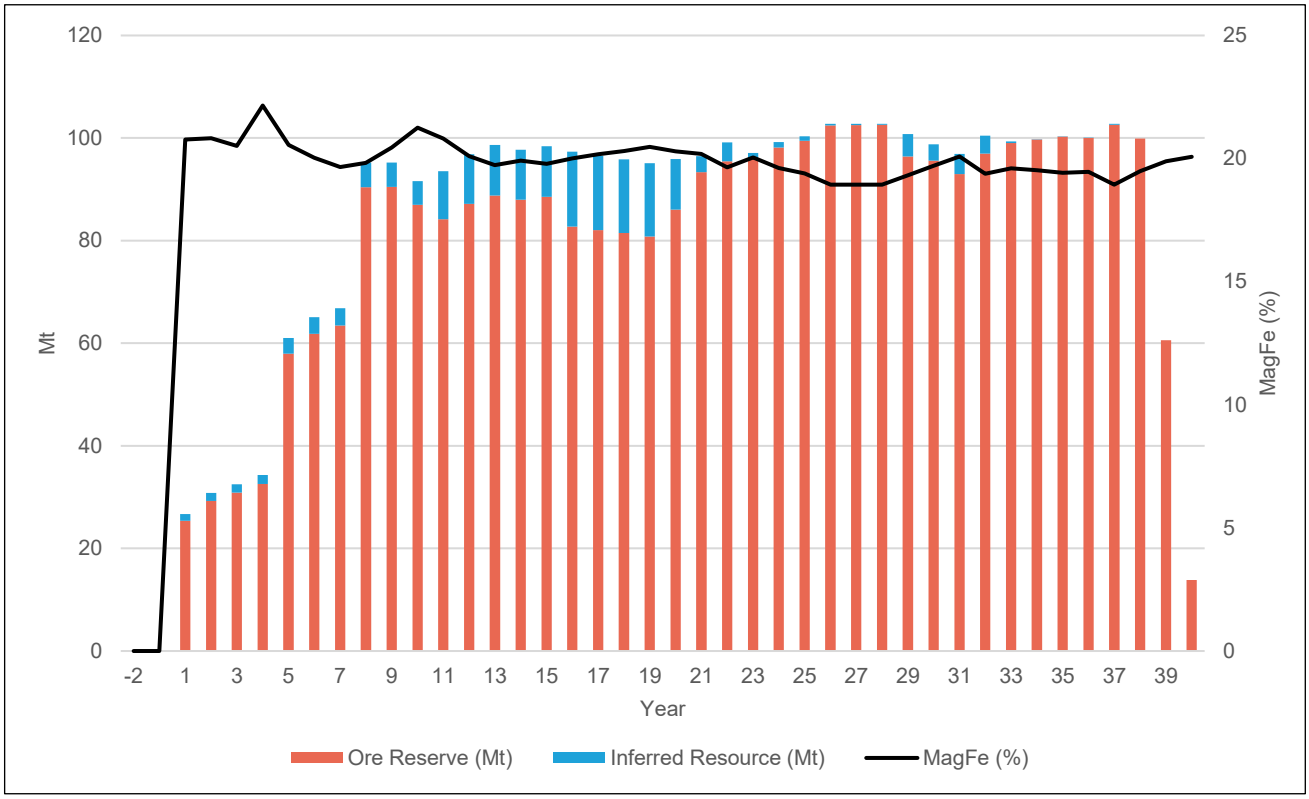


Figure 16: Process Feed Quantities and Grade by classification

The resultant product outputs from the LOM schedule and phased construction and ramp-up of the process plant are shown in Figure 17.

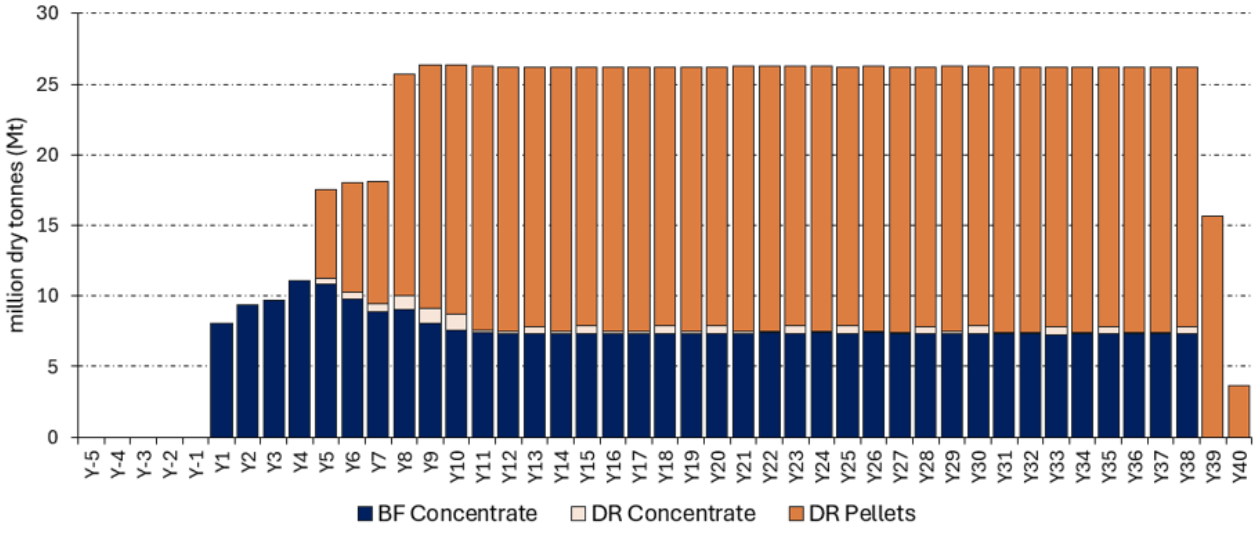
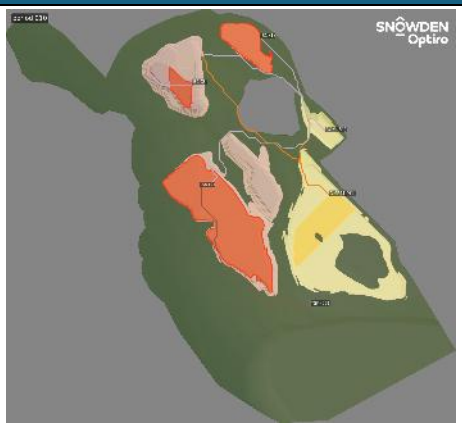
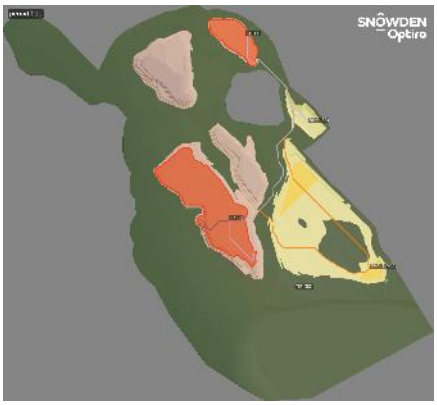
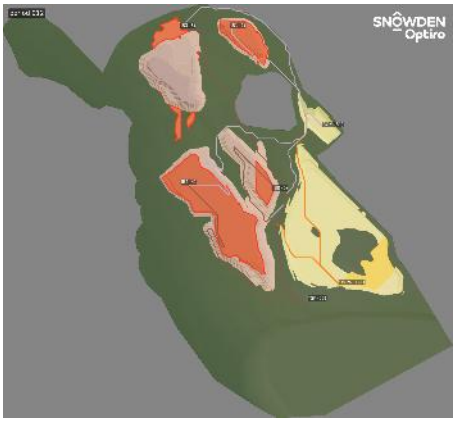
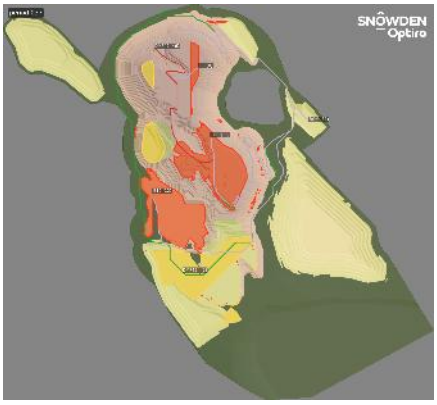


Figure 17: LOM Production profile

The mining schedule progression over time is shown below graphically in Table 11, where it can be seen that multiple areas are mined in parallel to generate ore and waste. In later years coarse waste is backfilled in the southern corner of the mine.

Table 11: Mine schedule progression over time.

End of period		End of period	
Pre strip		1	
2		3	
4		5	
6		7	

End of period		End of period	
8		9	
10		15	
20		25	
30		35	

End of period		End of period	
40			

5.2 Processing

Process design for the Iron Bear concentrator was led by IBR, who is responsible for the outcome, drawing on metallurgical test work completed by COREM under the direct supervision of IBR between 2023 and 2025, and supported by a series of trade-off studies that evaluated the principal technical decisions across the plant.

5.2.1 Metallurgical Test work

COREM completed four phases of test work using drill core samples from the Northwest and Greenbush zones. Phase 1 characterised the deposit using a 1.6-tonne sample across six lithological domains, with total iron grades ranging from 1.75% to 32.9% FeT and established that wet low-intensity magnetic separation (LIMS) and flotation are the appropriate technologies for producing both blast furnace (BF) and direct reduction (DR) grade concentrates. Dry cobbing was evaluated and found unsuitable for this ore type. Phase 2 validated the Phase 1 flowsheet using a seven-tonne pilot-scale composite sample and included a comprehensive grindability characterisation program covering Bond Work Indices for crushing, rod mill and ball mill, the Levin Ball Mill test, Bond Abrasion, JK Drop Weight, SMC and Piston Press tests. The pilot circuit achieved total iron recoveries of 49.9% for BF concentrate and 37.0% for DR concentrate, which are below industry benchmarks, primarily due to losses of non-magnetic iron in the LIMS stage. Phase 3 assessed pelletising performance through balling and basket firing tests for both BF and DR pellet specifications. Phase 4 variability testing was not completed within the PFS timeline and remains a priority for the next study phase.

5.2.2 Process Selection

Four trade-off studies guided the principal flowsheet decisions. The primary crusher was located adjacent to the processing plant, rather than at the pit rim or pit bottom, to accommodate the evolving pit geometry while minimising conveyor infrastructure. For secondary grinding, ball mills were selected over Vertimill technology: at the 98 Mtpa plant throughput, achieving the target grind with Vertimills would require 32 VTM-4500 units compared to six ball mills, introducing significantly greater operational complexity and nearly double the building footprint. For concentrate dewatering and drying, the Bergaz BALF (Boundary Air Laminar Flow) non-thermal dryer was selected over flash dryer technology on the basis of substantially lower CAPEX and OPEX, noting that BALF is not yet a proven technology for iron ore slurry applications and further validation work is required. Test work on the BALF technology has been performed in a 4-inch diameter test unit (~5tph), with future scale-up work planned in 6 inch (50-70 tph) and larger units to prove the scale-up formulas. For the comminution circuit, an AG mill (Autogenous Grinding) configuration was selected over the previous HPGR-based configuration and multi-stage cone crushing & screening in conjunction with a ball mill for primary grinding it delivers lower consumable consumption rates and a slightly lower overall power demand when considering the circuit holistically.

5.2.3 Crushing and Screening

Run-of-mine material at a top size of 1,000 mm is delivered by haul truck to three primary gyratory crushers (equivalent to a 60"×110" size class, 1,000 kW each), with a temporary stockpile available for backup reclaim by loader during crusher downtime. The primary crushers are designed to cope with excursions of up to 1,600mm topsize material on occasion. Primary crushed material is conveyed to a primary-crushed ore

stockpile to provide a 12-hour buffer. Reclaiming is by 30 vibrating feeders that meter ore to the primary grinding stage. Feed moisture is maintained below 4%.

5.2.4 Primary Grinding and Rougher/Scavenger Magnetic Separation

Crushed ore at –78 mm is delivered to nine AG mills (12.8 × 7.6 m diameter × length and 19,513 kW per unit) in closed circuit with a pebble crusher (238 kW per unit) and double deck screen (10 x 4 m) to produce a p80 of 300 micron. Screen undersize in a 30% solids slurry reports to 24 rougher magnetic separators (21 operating, 1.2 × 4.0 m drum diameter × width), followed by six scavenger separators (three operating, 1.2 × 4.0 m). Combined rougher and scavenger concentrate, at a target grade of greater than 42.9% FeT and less than 33% SiO_2, is demagnetised before advancing to secondary grinding.

5.2.5 Secondary Grinding and Cleaner Magnetic Separation

The combined rougher-scavenger concentrate is classified through six hydro-cyclone clusters (24-inch diameter, 10 operating, 6 standby), with underflow feeding six secondary ball mills (8.33 m × 12.8 m diameter × length, 21,400 kW each) at a recirculating load of 200% of fresh feed. Cyclone overflow at a P80 of 75 µm in a 30% solids slurry reports to 45 double-drum cleaner magnetic separators (36 in service, 9 spares, 1.2 × 4.0 m each), operating in series across three feed bins. Cleaner concentrate at a target grade of greater than 67.5% FeT and less than 5.3% SiO_2 is demagnetised before advancing to tertiary grinding. Cleaner tailings report to the tailings classification system.

5.2.6 Tertiary Grinding and Finisher Magnetic Separation

Cleaner concentrate is classified through nine hydro-cyclone clusters (20-inch diameter, 8 operating, 6 standby), with underflow feeding nine IsaMill units (equivalent to the M20000 model, 5,300 kW each) that regrind material to the target product size of 32 µm. Cyclone overflow at a P80 of 32 µm in a 30% solids slurry reports to 45 double-drum finisher magnetic separators (36 in service, 9 spares, 1.2 × 4.0 m each), operating in series across three feed bins. Finisher concentrate at a target grade of greater than 68.9% FeT and less than 3.5% SiO_2 is demagnetised before entering the flotation circuit. Finisher tailings report to the tailings classification system.

5.2.7 Reverse Flotation

Finisher concentrate, conditioned in primary and secondary conditioning tanks at 50% solids, is fed at 30% solids to 18 rougher flotation columns (4.5 m diameter × 15 m height). Rougher concentrate advances to cleaner flotation while rougher tailings feed six scavenger columns (3.0 m diameter × 7.0 m height). Rougher concentrate is further processed through 12 to 15 cleaner columns (4.5 m diameter × 15 m height), with cleaner concentrate reporting to final concentrate handling and cleaner tailings recycled back to the scavenger feed. All scavenger concentrate is recycled to the cleaner stage. The flotation circuit produces a DR-grade product at 71.0% FeT and 1.2% SiO2.

The reverse flotation circuit uses three reagents: Armoflote 940 as the silica collector at 75 g/t of mill feed, Starch WW82 as the iron depressant at 500 g/t of mill feed, and MIBC as the frother at 6.4 g/t of mill feed. Caustic soda (NaOH) is added at 250 g/t to activate the starch through alkaline swelling and promote selective adsorption onto iron mineral surfaces.

5.2.8 Concentrate Dewatering and Drying

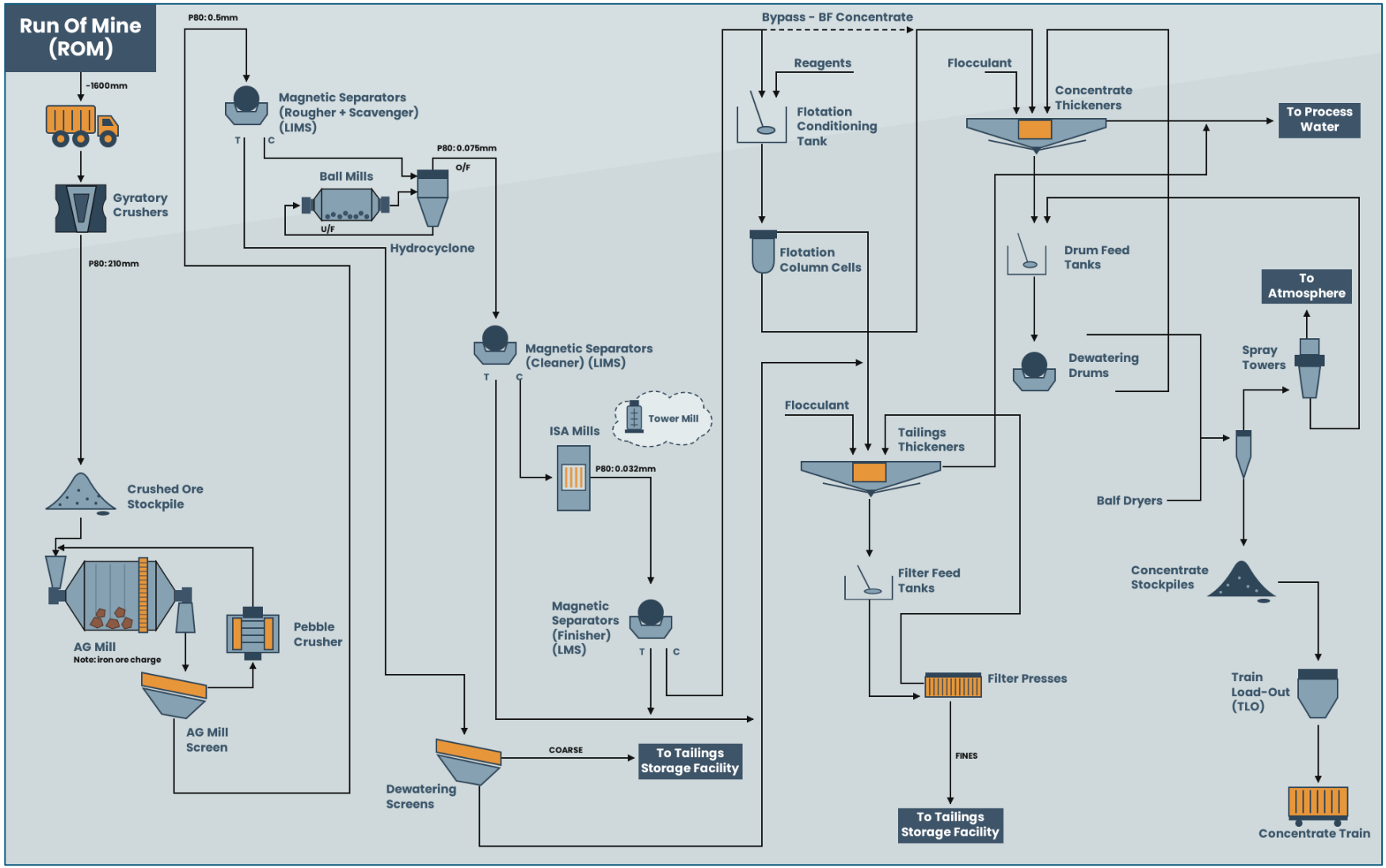
Concentrate from either the finisher magnetic or flotation circuits reports to deaeration tanks, is diluted with process water and flocculant (AN 923 VHM anionic flocculant at 10 g/t of concentrate), and is thickened in three high-rate thickeners (50 m diameter each) to a target underflow density of 75% solids. Thickened slurry is fed to 36 magnetic dewatering drums (1.2 m × 2.1 m diameter × width) that reduce moisture to approximately 20% before demagnetisation. The dewatered product is then conveyed to four BALF dryers (36-inch units each), which reduce final product moisture to 2.5% by weight. To maintain above-freezing inlet air temperatures during winter operation, each BALF dryer is equipped with a diesel-powered air preheater consuming approximately 0.16 L/t of concentrate. Cyclones and spray towers within the BALF circuit recover ultrafines from cyclone overflow streams that are recycled back to the dewatering stage. A spray tower was chosen to reduce total electricity consumption because of the high magnetite particle density. Dried concentrate is conveyed by four conveyors to the dried concentrate stockpile, before loadout to rail.

5.2.9 Plant Layout and Configuration

The concentrator is designed as a modular facility constructed in three trains of approximately 9.2 Mtpa of concentrate nominal capacity each, with the three trains together capable of producing 27.5 Mtpa of BF-grade concentrate. The DR-grade component is produced from a portion of this stream via flotation and is reported net of mass yield impacts. The processing facilities are arranged on two terraces at the mine site. The upper terrace houses the primary crushing and primary crushed stockpile. The lower terrace accommodates AG and ball milling, magnetic separation, IsaMill grinding, flotation and dewatering. Thickeners and the BALF drying system are located at a lower elevation to facilitate gravity slurry flow, and dried concentrate is transferred south to the rail loadout facility.

Figure 18 shows a block flow diagram of the envisaged processing route.

Figure 18: BFD of Processing plant as developed during the PFS update (including dry tailings option).



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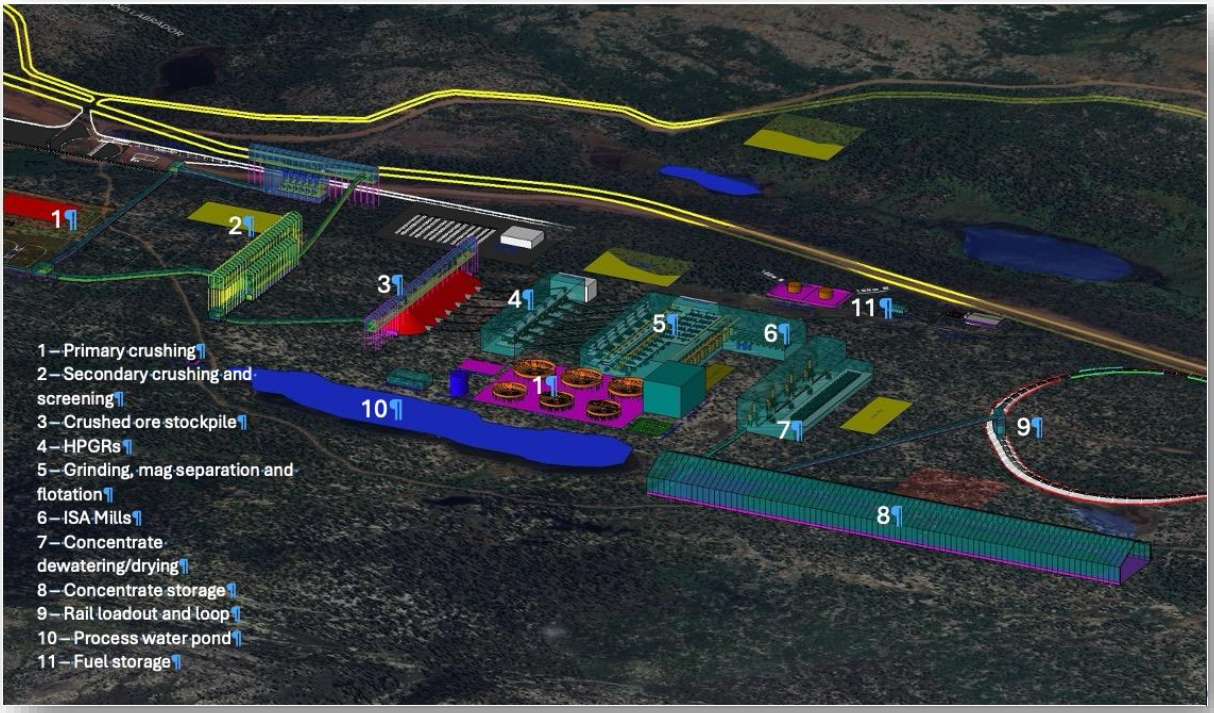

Figure 19: 3D model of processing plant showing crushed ore stockpile, grinding and separation, drying and process water pond plus concentrate storage before railing.

The 3D model was not updated for this PFS update, and still shows secondary crushing, screening and HPGRs. This is not considered material as the new AG mill-based footprint will be smaller than the original.

5.2.10 Tailings

Tailings management was assessed at a PFS level by Hatch, with cost estimates completed to a Class 4 accuracy (±50%/–30%).

5.2.10.1 Tailings Streams

The concentrator will produce three tailings streams: coarse tailings from the primary grinding and rougher/scavenger magnetic separation circuit, LIMS fine tailings from the cleaner and finisher magnetic separation stages, and flotation fine tailings from the reverse flotation circuit. Tailings properties and production rates were developed from initial test work and mass balance modelling across the 40-year project life.

5.2.10.2 Storage Options

Ten initial tailings management concepts were screened, with six carried forward for detailed evaluation:

- Option 1A — thickened and pressure filtered tailings, dry stack, with centreline-raised embankment;
- Option 2 — thickened tailings, wet slurry impoundment with centreline raises using a rockfill/tailings hybrid embankment section;
- Option 3A — cycloned tailings with cyclone underflow and thickened slimes, wet impoundment with upstream raises using hydraulically placed coarse tailings;
- Option 4A — cycloned tailings with screened underflow and pressure filtered slimes, dry stack (base case);
- Option 4B — cycloned tailings with vacuum filtered underflow and pressure filtered slimes, dry stack; and
- Option 5 — thickened and BALF non-thermal dried tailings, dry stack, noting that BALF technology is at a developing stage and is not yet proven for iron ore tailings applications.

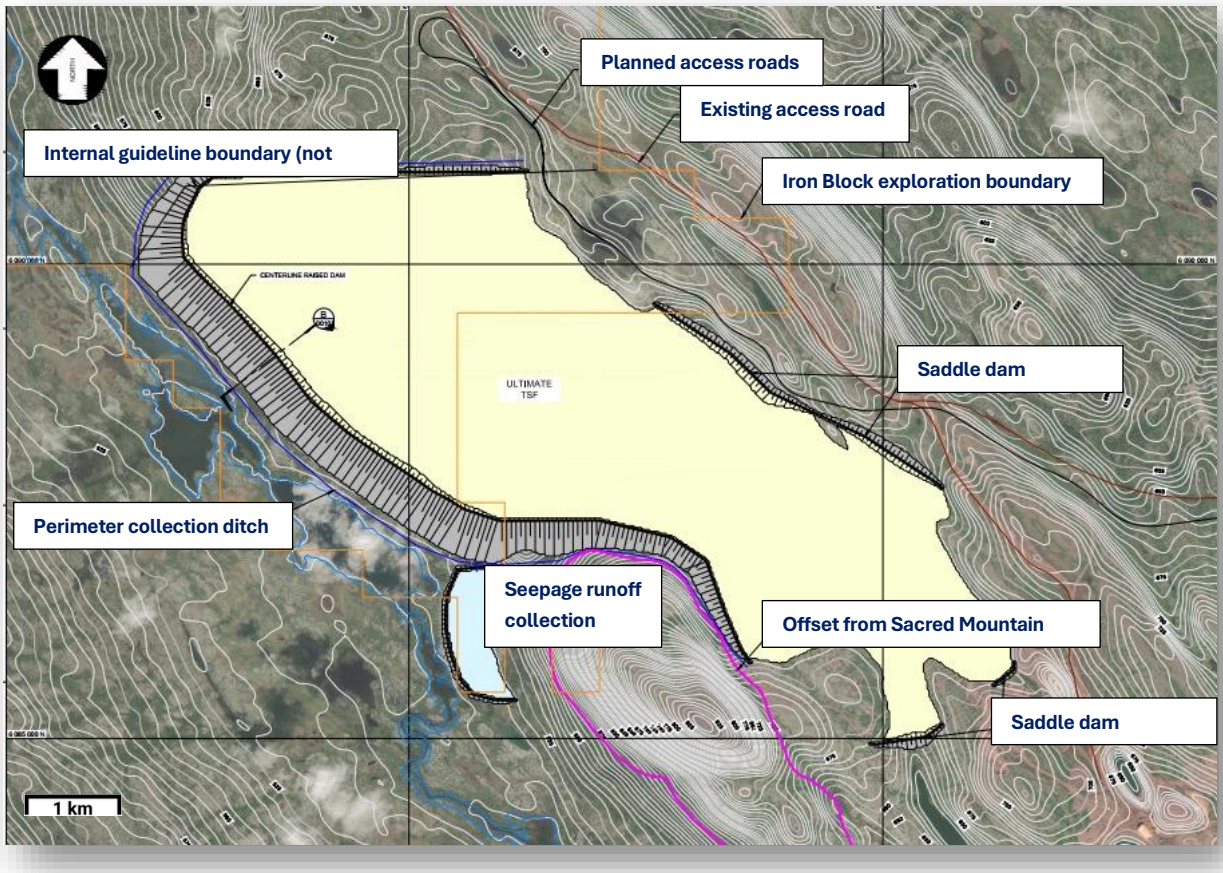

Figure 20: Option 2 centreline-raised TSF outline.

Three potential storage locations were assessed: a greenfield TSF site (base case for full life-of-mine storage), future depleted Iron Bear open pits (excluded due to insufficient geometric definition at this stage), and depleted pits near Schefferville, which were identified as a potential short-term opportunity. The viable larger depleted pits offer approximately 82 Mm^3 of combined storage capacity, equivalent to approximately the first three years of production, though long pumping distances, water management requirements and operational complexity limit their feasibility without further investigation.

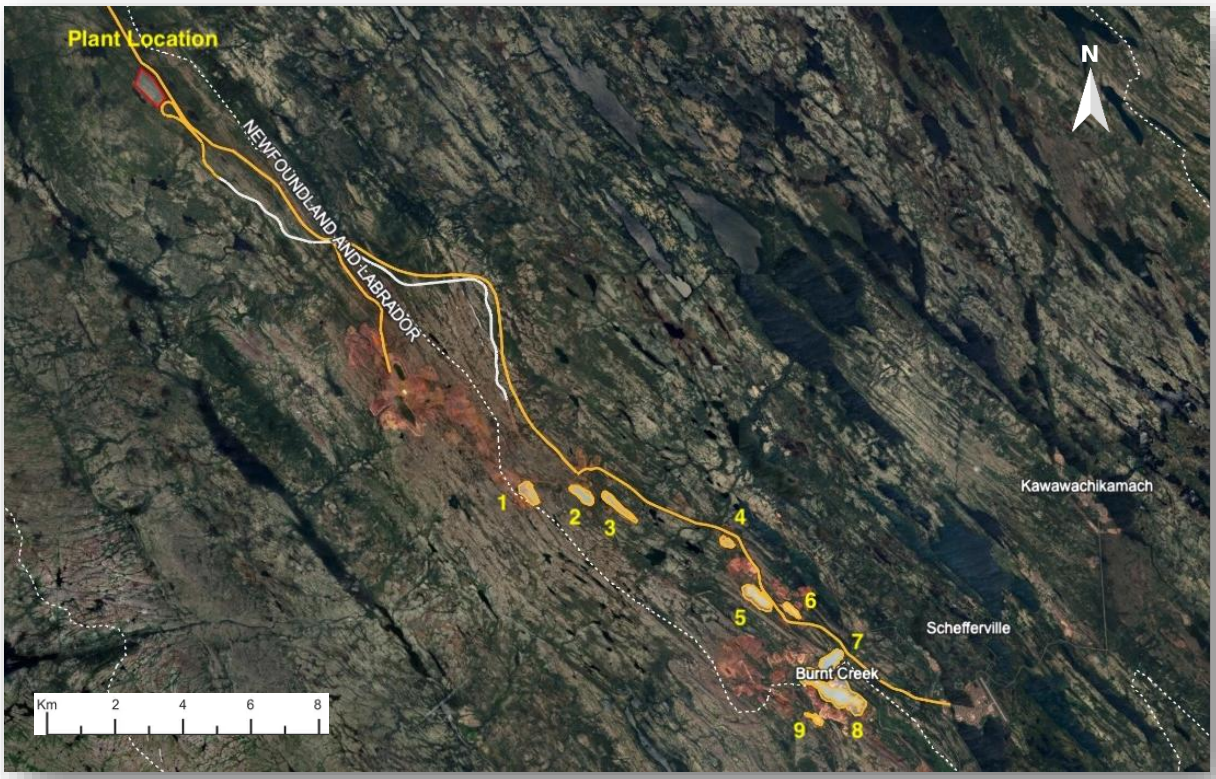

Figure 21: Depleted pits near Schefferville considered for potential short-term tailings disposal.

5.2.10.3 TSF Design

Dry stack options (1A, 4A, 4B and 5) share a common design basis: an overall slope of 3H:1V, a starter facility sized for approximately three years of production, and ultimate stack heights of up to approximately 150 m. Each option incorporates foundation stripping, a basal drainage network of collectors and finger drains, and perimeter contact-water collection ditches feeding downstream ponds. Progressive construction manages the rate of rise and dust generation over the life of mine. Closure comprises a soil cover and revegetation of the stack surface and slopes.

Wet impoundment options (2 and 3A) are based on conventional embankment dams with a starter dam height of approximately 45 m, raised progressively to provide storage capacity over the life of mine. Option 2 uses centreline raises with a rockfill and tailings hybrid section, while Option 3A uses upstream raises constructed from hydraulically placed coarse tailings with separate seasonal deposition of

coarse and fine fractions to optimise beach formation. Both options incorporate two downstream seepage-collection ponds to capture under-drainage and surface runoff.

5.2.10.4 Tailings Options Selection

A structured multi-criteria evaluation using weighted criteria covering technical performance, environmental risk, permitting, cost, operability and complexity was completed. Option 4A (dry stack, pressure filtered) was initially adopted as the base case, with Option 2 (thickened, centreline-raised wet embankment) replacing it as the base case due to untested practical risk of dry-stacking Iron Bear tailings in arctic conditions. Option 3A (wet impoundment, upstream raised) and Option 5 (BALF dry stack) ranked most favourably overall, with Option 5 carrying higher technical risk due to the unproven status of BALF for tailings drying. Options 1A and 4B ranked least favourably. Options 2, 3A, 4A and 5 are recommended to be taken forward for advancement to Class 4-level design.

5.2.10.5 Water Management

Water management is an integral element of all tailings options and has been designed to maximise recycle and minimise raw water consumption. For dry stack options, water drains by gravity from the tailings stack to perimeter contact-water collection ponds, from which it is either reclaimed to the process water system or directed to the water treatment plant, depending on quality. The basal drainage network provides a secondary collection layer beneath the stack to intercept any seepage before it reaches the natural water table.

For wet impoundment options, a decant pond forms against the natural topography within the storage facility. Reclaimed water is pumped from the decant pond back to the plant process water circuit for reuse, reducing raw water demand. Seepage collected in the two downstream ponds is similarly assessed for quality and either recycled or treated before discharge.

Preliminary pipeline alignments, pump sizing and hydraulic profiles were developed for all six options, covering tailings transport, reclaim water return and, where applicable, separate coarse and fine slurry lines. Hydraulic designs were established to maintain minimum transport velocities to prevent solids settlement, and booster station requirements for the long-distance transport to the TSF were identified.

The acid rock drainage (ARD) risk for the Project has been assessed as low based on geochemical characterisation of mine rock samples to date, which is a positive attribute for long-term water quality management at the TSF. Additional geochemical sampling is recommended to develop a statistically robust dataset and validate this conclusion across all formations before the BFS.

5.2.11 Port Facilities

Dried concentrate is transported by rail from the mine site to Pointe-Noire, Québec, where Iron Bear will construct a pelletising plant(s) and dedicated materials handling and storage infrastructure integrated with the existing Pointe-Noire Multiusers terminal. Figure 17 shows the proposed port layout, connected to the existing Pointe-Noire facility with a 6km length conveyor (blue) and fuel oil supply line (yellow).

Pellet plant design was completed by IDOM and SMS and covers an 816 m^2 travelling-grate pelletising plant at Pointe-Noire with a production capacity of 8.1 to 10.1 Mtpa depending on operating days and

grate factor. The operational design basis is 30 t/m^2/day, which will also be the performance guarantee basis in a later study phase, with 35 t/m^2/day used as the design margin, providing a 15% allowance and enabling a maximum design capacity of approximately 9.3 Mtpa at 330 operating days per annum (10.1 Mtpa at 345 operating days).

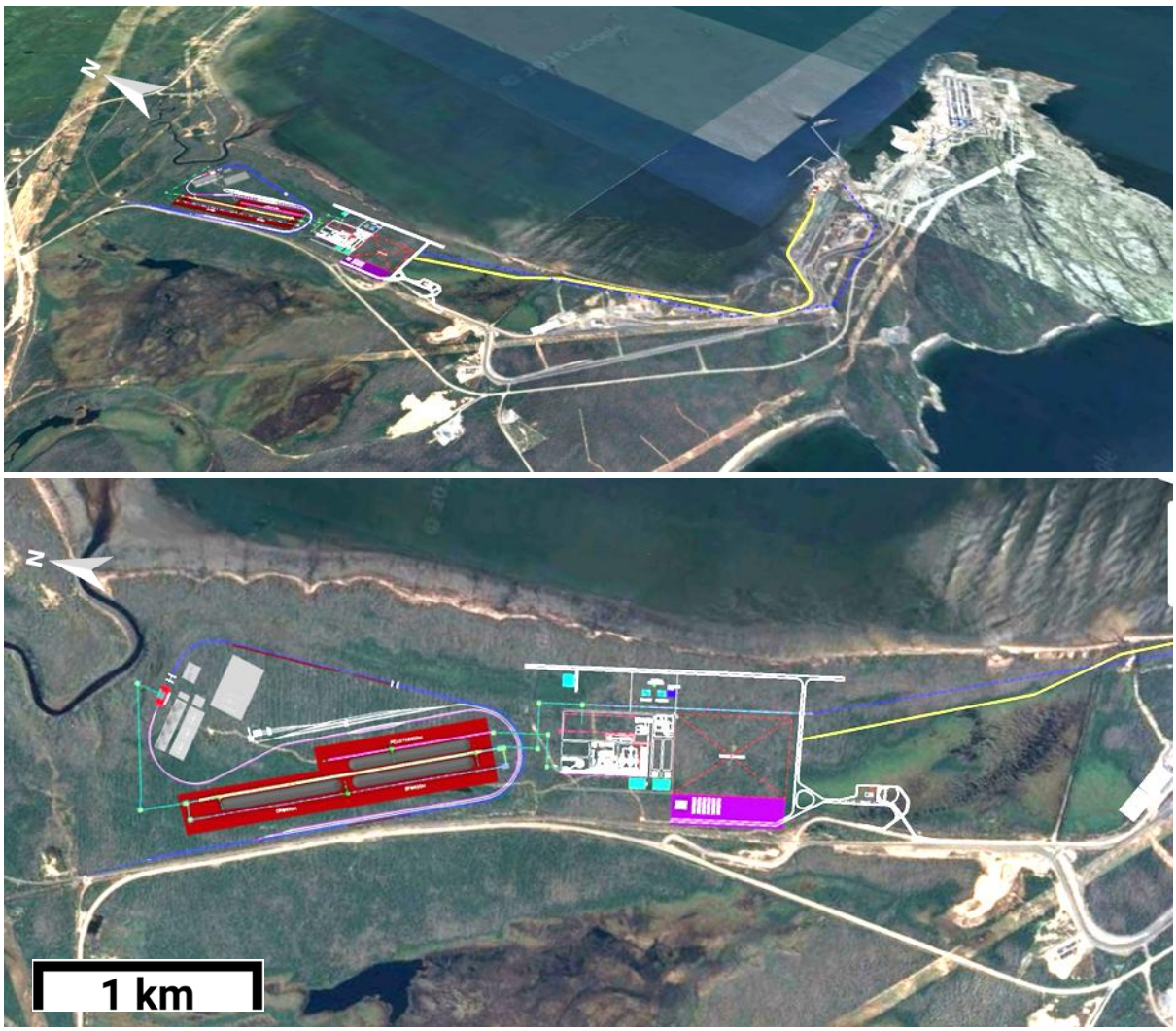

Figure 22: Proposed port facilities and pellet plant layout, showing connections to the exiting Pointe-Noire facilities (top) and top view of stockyards, pellet plant and rail loop (bottom).

The process scope covers receipt of iron ore concentrate and additives through to production of fired, screened and coated pellets. The plant incorporates concentrate dosing and mixing, green balling, high-temperature induration on the travelling grate, additive grinding, gas cleaning, and dust handling. Additives — limestone, dolomite, bentonite and organic binders — are received by self-unloading vessel at land adjacent to the Multiusers terminal and trucked / stored at the plant. DR pellets are coated with conventional coating material before despatch. Provision is incorporated for lump-breaking of frozen concentrate during winter operations, along with heat tracing and insulation across piping and equipment to manage temperatures that can reach –38°C at the Pointe-Noire site.

Natural gas is currently not available at Pointe-Noire. Low Sulphur Heavy Fuel Oil (LSHFO) is therefore the base fuel for the travelling grate burners, with the burner design accepting both liquid and gaseous fuels to allow conversion if natural gas supply becomes available in future. LSHFO will be stored in tanks on SFPPN property, kept at pumpable viscosity by a dedicated steam boiler, and piped to the pellet plant via a new heat-traced pipeline.

Two thermal heat balances were developed during the PFS: an OEM preliminary model indicating specific energy consumption of 257 MJ/t of fired pellets from a reference project, and a project-specific balance developed by a TOA expert showing 175–180 MJ/t under optimised deep-bed conditions. A conservative value of 200 MJ/t was adopted as the PFS basis.

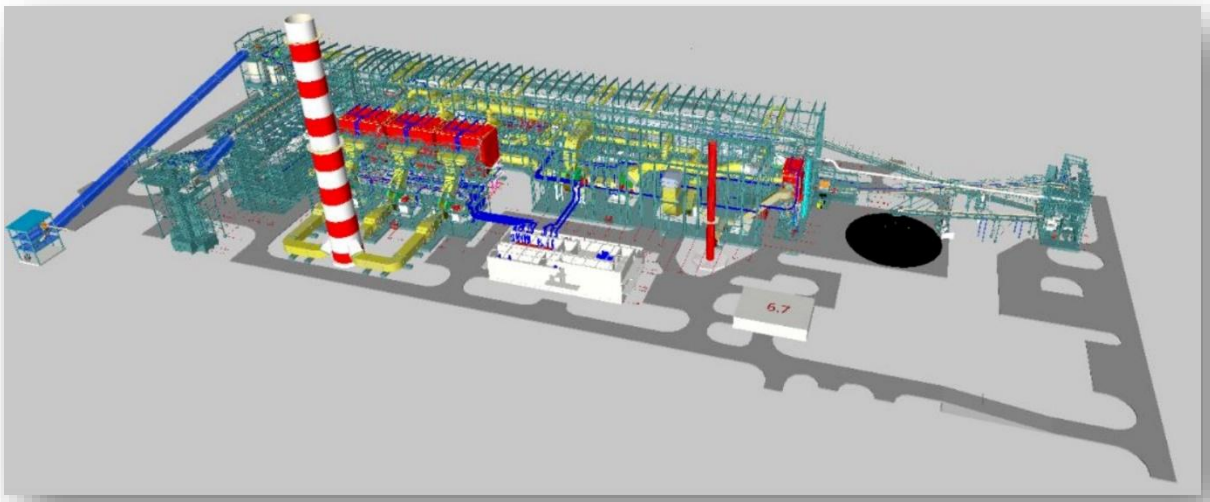

Figure 23: 3D model of a reference pellet plant. Courtesy IDOM.

Metallurgical test work by COREM validated green pellet formation, induration behaviour, deep-bed oxidation and final pellet quality; DR-grade pellets were successfully produced with full oxidation and strong mechanical and metallurgical properties. Further test work to optimise BF pellet parameters and evaluate long-term ore variability impacts is planned for the bankable feasibility study.

The plant layout incorporates spatial provision for a second travelling-grate unit to support the future production expansion, and the site at Pointe-Noire is designed with adequate area for this additional capacity.

Iron Bear will construct its own dedicated stockyard and bulk materials handling (BMH) infrastructure at Pointe-Noire, independent of the existing SFPPN stockyards as required for product storage and pellet plant operation. The new stockyard is equipped with four BMH machines: two stackers at 8,000 tph capacity each (one for concentrate, one for pellets) and two bucketwheel stacker-reclaimers at 8,000 tph capacity each. Three stockpiles are provided, each with a capacity of 600,000 t: two for concentrate (BF-grade and DR-grade) and one for fired pellets. Provision for stockpiling of pellet chips is provided as well.



Figure 24: Iron Bear DR pellets - bulk production sample.

For the first production phase of approximately 8-10 Mtpa, the existing SFPPN rail tippling and stockyard facilities have sufficient capacity to accommodate Iron Bear's additional throughput. From Phase 2 onwards, Iron Bear's own offloading loop and double rotary car tippler will be brought into service, with the unloading loop designed to accommodate two loaded trains queued ahead of the tippler and two empty trains staged for departure, optimising turnaround and supporting continuous production throughput. Light rail maintenance, shunting and general goods logistics is provided for.

A dedicated covered conveyor belt links the Iron Bear stockyard to an existing SFPPN transfer tower and from there to the wharf shiploaders, enabling blended and separate product streams to be directed to vessel loading as required. The existing Multiusers terminal wharf is located in 20 m draft water and is served by two long-reach, travelling, slewing and luffing shiploaders rated at a nominal 8,000 tph combined, capable of loading Capesize vessels. The wharf was originally designed to accommodate Chinamax 400,000 t capacity vessels, though commercial loading at this size has primarily been achieved by transshipment in the Bay of Sept-Îles rather than direct berth loading.

Coordination with SFPPN and the Port of Sept-Îles authorities will be ongoing to manage vessel scheduling, product inventory, stockpile management and export planning as Iron Bear's production ramps through its three phases to 25 Mtpa.

5.2.12 Water

Water supply and management at the Iron Bear Project operates across two sites — the mine and concentrator at Schefferville and the pelletising and port facilities at Pointe-Noire — each with its own supply source, storage and treatment infrastructure.

5.2.12.1 Hydrology

A water resources baseline study was completed in 2025 to establish conditions for surface water hydrology and water quality within watersheds potentially influenced by the Project. Six hydrometric monitoring stations were installed across local drainage areas ranging from approximately 6.8 to 249 km^2, capturing post-freshet recession, summer low-flow conditions and fall precipitation responses. Lake-influenced catchments exhibited attenuated hydrologic responses, while smaller catchments showed rapid runoff and recession behaviour. Surface water quality across all monitoring locations met applicable Canadian Council of Ministers of the Environment (CCME) guidelines, with seasonal patterns consistent with expected regional conditions. Continued multi-year monitoring is recommended to capture inter-annual variability, refine rating curves and strengthen predictive capacity for environmental assessment.

The Project area is drained by several watercourses within the Triangle Lake, Pinette Lake and Burnetta Lake watersheds. Surface water from the developed mine site area will be managed through a network of ditches and culverts directing runoff to a collection pond north of the property, from which treated water is discharged. At Pointe-Noire, stormwater from the developed site drains by gravity to collection ponds located in the northeast of the property.

5.2.12.2 Hydrogeology

A preliminary hydrogeological investigation was initiated at the Iron Bear Project during the 2026 field season, carried out by Hydro-Ressources Inc. The program was designed to characterise groundwater conditions and estimate the hydraulic properties of the rock mass through field testing. The investigation remains incomplete due to delays in the overall project schedule; accordingly, only preliminary findings are available at the time of this report.

Field Investigation Program

The field investigation was conducted across 16 existing diamond drill holes (DDH), focusing on estimating hydraulic conductivity and identifying principal groundwater flow zones. Three test methods were employed:

- **Slug tests** were performed in all 16 boreholes to obtain initial estimates of average hydraulic conductivity of the surrounding rock mass.
- **Injection tests** were subsequently conducted in 15 of the 16 boreholes to evaluate hydraulic properties and specific capacity at greater hydraulic stress.

- **Tracer Dilution Profile (TDP) testing** was conducted in one borehole (DDH-103-142) to characterise the vertical distribution of groundwater flow without isolating individual intervals.

Table 12 summarises the collar coordinates, elevations, borehole lengths, and test types conducted at each investigated hole.

Table 12: General characteristics of the investigated boreholes and hydrogeological tests

Borehole ID	X (m)	Y (m)	Collar Elev. (m)	Length (m)	Slug	Injection	TDP
DDH-103-049	611177	6093078	551.375	330.71	✓		
DDH-103-059	611679	6091941	564.128	420.3	✓	✓	
DDH-103-060	611831	6092068	574.91	328.0	✓	✓	
DDH-103-086	612260	6092446	597.286	292.3	✓	✓	
DDH-103-089	611986	6091419	572.749	352.96	✓	✓	
DDH-103-092	612487	6091829	612.916	204.2	✓	✓	
DDH-103-095	611360	6093243	570.343	397.8	✓	✓	
DDH-103-096	611674	6093507	592.251	395.9	✓	✓	
DDH-103-097	611650	6092698	575.6	417.3	✓	✓	
DDH-103-109	613018	6093840	614.61	425.8	✓	✓	
DDH-103-114	612304	6094648	626.128	341.1	✓	✓	
DDH-103-117	611691	6094765	605.228	60.7	✓	✓	
DDH-103-134	612398	6092527	603.397	324.61	✓	✓	
DDH-103-136	612712	6092776	615.697	343.81	✓	✓	
DDH-103-140	611556	6094050	585.185	425.5	✓	✓	
DDH-103-142	612637	6094274	614.228	496.5	✓	✓	✓

Preliminary Findings

Piezometric data collected prior to injection testing indicate a general westward groundwater flow direction with an estimated hydraulic gradient of approximately 2.2%. Preliminary hydraulic conductivity estimates derived from slug and injection testing indicate considerable variability across the investigated area, with the highest values concentrated in a small number of boreholes. TDP testing in DDH-103-142 identified four discrete groundwater flow zones and a localised downward vertical flow component, suggesting the presence of water-bearing faults or fracture zones that will require further characterisation.

The available hydraulic conductivity data are generally in the low-to-moderate range for fractured rock, which is a preliminary positive indicator with respect to open pit groundwater inflow management. However, the Hydro-Ressources report explicitly cautions that the current dataset may be insufficient to accurately estimate groundwater inflows into proposed mine excavations, and that low hydraulic conductivity does not preclude the need for pit wall depressurisation to maintain slope stability.

Outstanding Work and Remaining Risk

The hydrogeological investigation program remains incomplete. The current dataset does not support a full characterisation of the spatial distribution of hydraulic properties, regional groundwater flow conditions, or quantified inflow estimates at a feasibility level. The following additional investigations are recommended by Hydro-Ressources Inc. to advance the program to feasibility standard:

1. Additional strategically located drilling to improve spatial coverage and address structural anisotropy;
2. Expanded slug and injection testing across the full proposed pit footprint;
3. Additional TDP testing in higher-permeability boreholes to characterise discrete flow zones;
4. Structural geological mapping focused on fault and fracture zone continuity and connectivity;
5. Groundwater chemistry sampling to establish baseline hydrochemical conditions; and
6. Development of a three-dimensional numerical groundwater flow model to support inflow predictions, pore pressure assessment, and dewatering strategy evaluation.

Hydrogeology remains a project risk factor at this stage of development. The current mine plan includes suitable provisions for pit sump pumping to capture surface water and groundwater inflow, but this infrastructure has not been sized from measured data. A site-wide water balance incorporating processing and mining consumption requirements cannot be completed until the investigation program above is advanced after the next drilling campaign. These activities are planned for the next field season.

5.2.12.3 Mine Site – Schefferville

Raw water at the mine site is drawn from a nearby river using a floating intake platform equipped with vertical pumps, which deliver river water to a freshwater tank adjacent to the plant. A diesel-driven emergency pump provides backup supply during electrical outage to maintain continuous plant operation. The freshwater supply pipeline is fabricated from insulated and heat-traced HDPE pipe to prevent freezing in the sub-arctic climate. The freshwater tank is divided into two compartments: the upper section supplies cooling water and process make-up, while the lower section is sized to meet site fire water storage requirements. The tank also feeds the potable water plant for camp and operational use.

Within the concentrator, raw water is consumed principally for reagent solution preparation (collector, depressant, flocculant and caustic soda), further-treated cooling water to various equipment bearings (which operates as a closed-loop circuit recycled back to the raw water tank), slurry pump gland seals, process water pond make-up, and fire water.

Process water is recycled from the concentrate and tailings thickener overflows back to a dedicated process water pond, minimising raw water draw from the river. Vertical pumps recirculate process water from the pond to the plant for use in the comminution circuit, flotation, reagent preparation and dewatering. Make-up water is collected from the site collection pond and directed to the process water pond as required. Based on the process design criteria, the total process water volume is approximately 93,270 t/h, with approximately 71,680 t/h recirculated to the plant and approximately 21,590 t/h directed to the water treatment plant before discharge.

Water from concentrate dewatering and drying spray towers is also recycled.

The site collection pond is sized to accommodate large process water volumes during planned plant shutdowns and major storm events and captures all surface runoff from the developed site area. Surplus water is pumped to a water treatment plant where suspended particles are removed, and pH is neutralised to meet applicable environmental discharge standards before release to the river. Chemical analysis is performed to confirm compliance with all applicable limits prior to discharge.

5.2.12.4 Pointe-Noire

At Pointe-Noire, fresh water is sourced from the head lake located north of Highway 138, delivered to the project site through existing SFPPN-owned pipelines. The freshwater tank follows the same dual-compartment arrangement as the mine site, with the upper section supplying plant cooling and process make-up and the lower section providing fire water reserve. All freshwater supply lines are fabricated with insulated and heat-traced pipe for winter operability. Potable water for the Pointe-Noire site is supplied from the city of Sept-Îles.

The site collection pond at Pointe-Noire captures stormwater from the developed site, which is treated annually through a water treatment plant to remove suspended solids and neutralise pH before discharge to the Bay of Sept-Îles, in compliance with applicable Québec and federal environmental standards.

5.2.13 Power

Power supply for the Iron Bear Project was assessed by Hatch at AACE Class 4 accuracy, covering both the mine and concentrator at Schefferville and the port and pelletising facilities at Pointe-Noire.

5.2.13.1 Mine Site – Schefferville

The concentrator electrical load evolves across three production phases: Phase 1 at 9 Mtpa requiring 195 MW, Phase 2 at 18 Mtpa requiring an additional 151 MW, and Phase 3 at 27.5 Mtpa brings the total mine and concentrator demand to 490 MW[7], with commercial operation dates targeted at 2034–2036, 2038–2040 and 2042–2044 respectively. Should a slurry pipeline option be adopted in a future phase, additional power is required for the pipeline pump stations, increasing the total operational load accordingly.

Power will be sourced from the Churchill Falls hydroelectric facility in Labrador, which offers existing transmission voltages of 230 kV, 315 kV and 735 kV. The 315 kV voltage level was selected as the preferred transmission voltage, providing a higher level of supply reliability than a single 735 kV connection, and better suited to the Project's load range than the lower 230 kV option.

For Phases 1 and 2, two 315 kV transmission lines will be constructed from Churchill Falls to the mine site, running approximately 342 km in total. The route follows the Esker Road from Churchill Falls to Esker Siding on the QNS&L Railway (approximately 170 km, following the road where possible with

[7] The modelled reduction in power demand changing to an AG circuit from 108 kWh/t to 103 kWh/t is considered negligible for power supply design, and has been ignored for power supply design.

appropriate diversions around Churchill Falls airport and Smallwood Reservoir), then the QNS&L Railway alignment to Hope Lake (approximately 110 km), and finally northwest to the Iron Bear mine site (approximately 50 km). Shunt reactors will be installed at Esker Siding, located at approximately the midpoint of the line, to manage reactive power and maintain acceptable line voltages during energisation and light load operation.

A new 315/69 kV tap station at Hope Lake will facilitate the connection of power supply to the community of Schefferville. Phase 3 will require a third 315 kV transmission line from Churchill Falls to the mine site, bypassing the Hope Lake Station, to support the step-up in load from approximately 250 MW to 630 MW (connected load).

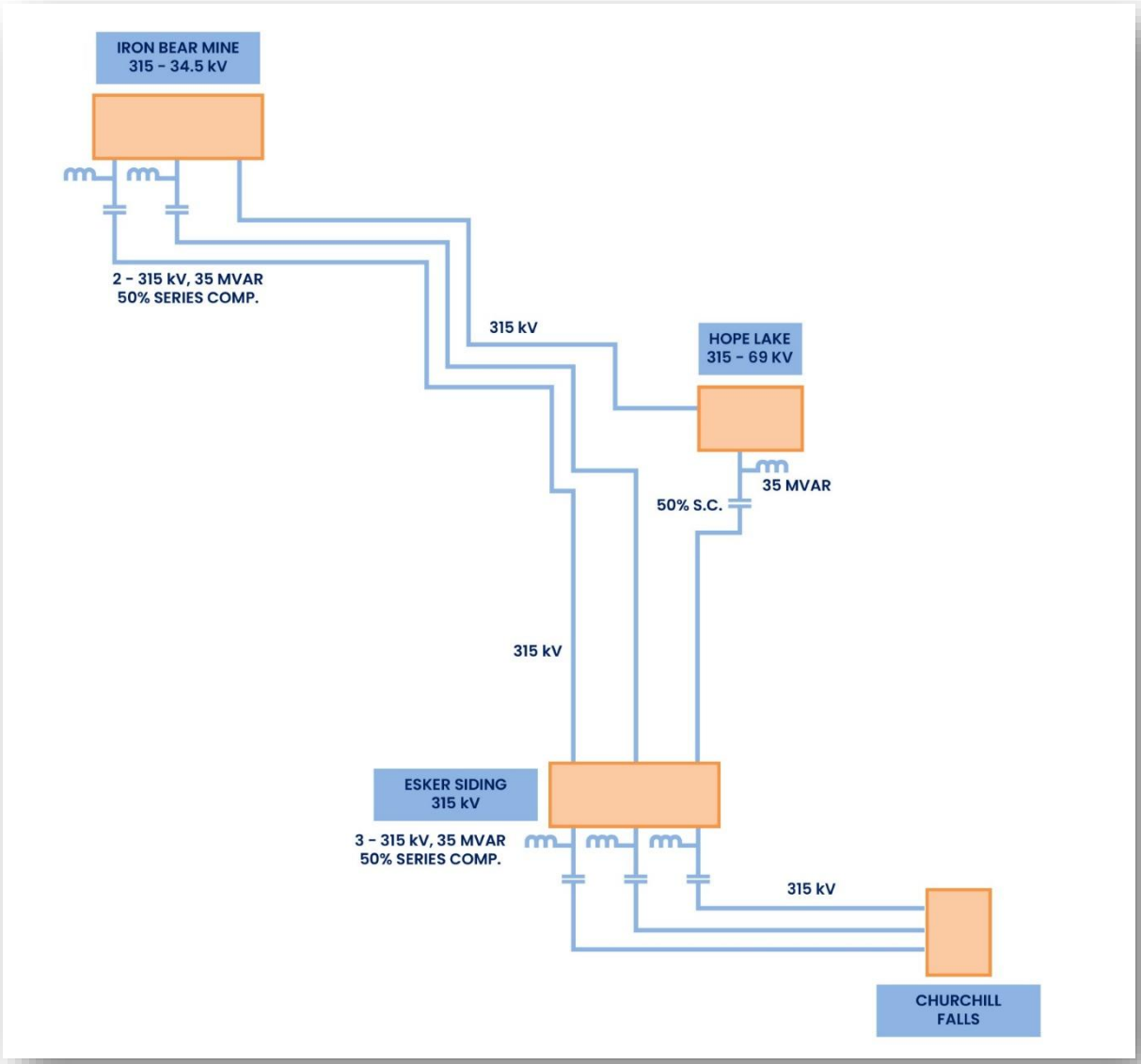

Figure 25: Schematic overview of transmission line route from Churchill Falls to the mine site via Esker.

At the mine site, power is stepped down through multiple 315/34.5 kV transformers in the HV yard and distributed throughout the plant at 34.5 kV via a radial system from the main electrical substation, which is located adjacent to the concentrator building. Secondary substation 1 in the crusher area and secondary substation 2 at the tailings area are fed from the main substation, with 34.5/4.16 kV and 34.5/0.6 kV oil-filled step-down transformers supplying medium and low voltage switchgear, variable frequency drives and motor control centres throughout the plant. The primary crusher and grinding substations are designed as prefabricated modular buildings, pre-installed and pre-wired for efficient site installation.

Redundancy and backup power are provided at multiple levels. Two transmission lines serving Phases 1 and 2 are each independently capable of supplying the full mine load with one line out of service. Spare motors are provided for critical process equipment, and redundant power supply arrangements ensure continuous operation if one power unit fails. Essential loads are served by emergency diesel generator sets connected via automatic transfer switches. Critical control systems, servers and industrial controls are backed by uninterruptible power supply (UPS) units and DC battery systems, with battery-backed emergency lighting provided throughout for safe evacuation in the event of a power failure.

5.2.13.2 Pointe-Noire

The estimated electrical demand for port utility services at Pointe-Noire, excluding the pellet plant, is 15.5 MW. Power is supplied from a new high-voltage substation via a 34.5 kV overhead line to the Port Utilities substation, which houses two 34.5/13.8 kV and two 34.5/0.6 kV oil-filled step-down transformers serving medium and low voltage distribution across the port facilities. Power to the pellet plant substation is fed from the 34.5/13.8 kV transformers in the Port Utilities substation, with feeder cables to the pellet plant forming part of the pelletising plant scope of work.

5.2.14 Rail

Concentrate will be transported approximately 620 km by rail from the Iron Bear mine site at Schefferville to the port and pelletising facilities at Pointe-Noire, utilising the existing regional heavy-haul rail network operated by Tshiuetin Rail Transportation (TSH), QNS&L and SFPPN. The rail PFS was completed by Hatch at AACE Class 4 accuracy, incorporating site observations from a full journey between Schefferville and Pointe-Noire, findings from prior inspections by Hatch, Vale and IOS, and interface with environmental, geotechnical, construction logistics and main study teams.

5.2.14.1 Mine Site Infrastructure

At the mine site, a new rail loading loop will be constructed connecting to the KLT Timmins Subdivision at Milepost 14.35, providing adequate separation from existing Tata Steel train movements to minimise operational delays. The alignment features gentle vertical geometry suited to heavy-haul operations, with a maximum top-of-rail grade of 0.80% in the loaded direction and an elevation variation between 660 m and 678.5 m. The mine loop incorporates a 9° curve within allowable design limits and is configured to accommodate one inbound empty train and one outbound loaded train simultaneously, supporting continuous loading operations. Dedicated tracks for hazardous goods handling, general goods handling and light maintenance are incorporated within the mine site layout, positioned for operational safety and segregation from ore-handling activities.

Construction of the mine site rail facilities requires approximately 24.5 km of new track, 91,286 t of ballast, and earthworks totalling approximately 417,375 m^3 of cut and 402,350 m^3 of fill. A light maintenance workshop, general goods facility and dangerous goods facility will also be constructed at the mine site.

5.2.14.2 Port Site Infrastructure

At Pointe-Noire, a dedicated unloading loop connects to the SFPPN Arnaud Subdivision at Milepost 3.50 and requires approximately 19.46 km of new track supported by 72,968 t of ballast. The maximum track grade is 1.00% in the loaded direction, occurring at the facility entrance turnouts, with all yard and loop tracks set to 0% grade to ensure stable switching, unloading and train staging operations. The port terrain slopes toward the St. Lawrence River, requiring progressively higher embankments; the alignment is placed as close as practicable to the existing Arnaud Subdivision to minimise fill volumes.

The unloading loop is designed for high-efficiency continuous operations, with capacity for two loaded trains to queue ahead of the double rotary car tippler and two empty trains to stage for departure, maximising throughput during peak production. A light maintenance facility located inside the unloading loop provides direct access for servicing inbound and outbound movements without interference with unloading or mainline operations.

5.2.14.3 Phased Infrastructure Requirements

The rail infrastructure requirements scale with production and are implemented in three phases. Phase 1 (approximately 9 Mtpa) requires construction of the Iron Bear mine site rail facilities and one additional siding at Arnaud. Phase 2 (approximately 18 Mtpa) requires construction of the Iron Bear port unloading facilities, one additional siding at Emeril and signalling upgrades on the Tshiuetin Mehinek subdivision. Phase 3 (25.9 Mtpa material movement) requires one additional siding at Silver Yard and mainline refurbishment of the Tshiuetin Mehinek subdivision. Mainline capacities across the TSH, QNS&L and SFPPN sections were modelled for incremental production increases through each phase, incorporating publicly available expansion plans and general goods and passenger requirements.

5.2.14.4 Rolling Stock

Each iron ore trainset, configured in accordance with constraints from the regional line owners, comprises 240 gondola railcars and three AC4400 or equivalent locomotives. Based on simulation results, six trainsets are required for 9 Mtpa production, eight trainsets for 18 Mtpa and eleven trainsets for 25.9 Mtpa (material movement). Including spares for maintenance, the full fleet requirements are 21 AC4400 locomotives and 1,584 gondola cars at 9 Mtpa, 31 locomotives and 3,032 gondola cars at 18 Mtpa, and 37 locomotives and 5,306 gondola cars at 25.9 Mtpa (material movement).

5.2.14.5 Environmental and Permitting

A GIS-based environmental constraints analysis was completed across the full rail corridor, identifying interactions with wetlands, watercourses, forest cover and other sensitive features. The majority of the alignment falls within minor constraint zones, with critical and significant constraints primarily at wetland and regulatory buffer crossings. At the mine site, data gaps for wetlands, fish habitat and wildlife require field verification before advancing to detailed design. No prohibitive environmental obstacles were identified at the PFS stage.

The Project does not meet the federal threshold for designation under the Impact Assessment Act, as no single continuous new right-of-way of 50 km or more is required; however, federal assessment may still be triggered by interactions with species at risk, critical habitat or federal lands. Both Québec and Newfoundland and Labrador require provincial environmental assessments for new rail construction of this scale. A multi-year permitting sequence is anticipated, requiring coordinated federal-provincial engagement and early preparation of permitting submissions. IBR intends to seek a National Interest designation, which could streamline federal timelines, though outcomes remain uncertain given limited precedent. Early and ongoing engagement with the five Indigenous groups with interests in the Project area is essential to maintaining social licence and regulatory compliance.

Figure 26: Rail Transport Corridor



5.2.15 Slurry Pipeline

As an alternative to rail transport, the PFS evaluated an overland slurry pipeline system designed to transport 25 Mtpa of magnetite concentrate from the mine site to Pointe-Noire. The pipeline study was completed by Fortin Pipelines at AACE Class 4 accuracy, covering the full 616 km corridor between the mine site and Pointe-Noire and incorporating an integrated return water system. The overall system configuration is aligned with proven concentrate and return water pipeline technology and established operational experience from comparable long-distance installations (**Table 13**).

Table 13: High level comparison of design parameters for slurry pipelines.

Comparable Pipeline Operation	Distance	Diameter	Pressure	No. of Pump Stations
Iron Bear (Magnetite concentrate)	616 km	26-inch	172–222 bar	3
FMG Iron Bridge (Magnetite concentrate)	132 km	26-inch	~90–120 bar	1
Anglo Minas Rio (Hematite concentrate)	522 km	26-inch	~100–150 bar	3
Da Hong Shan (Magnetite concentrate)	171 km	9-inch	~210–230 bar	2
ESSAR – Vizag (Hematite concentrate)	267 km	16-inch	120–187 bar	2
Samarco (Hematite concentrate)	396 km	24-inch	~157 bar	3

5.2.15.1 System Configuration

The selected configuration comprises a buried DN650 (26-inch) bare steel concentrate pipeline and a DN700 (28-inch) return water pipeline, with a head pump station and two intermediate pump stations along the corridor. Wall thickness for both pipelines is telescoped to match the operating pressure profile along the route, optimising steel usage while providing appropriate margin on maximum allowable operating pressure. Internal corrosion and erosion allowances are derived from in-house laboratory test work benchmarked against comparable operational pipeline systems globally.



Figure 27: Reference site slurry pump house. Courtesy Fortin Pipelines.

The system is designed for continuous operation with a controlled restart capability and operational flexibility through intermediate station tank feed and bypass modes. The operating envelope is defined to maintain slurry velocity above settling limits to prevent solids deposition while minimising pipe wall erosion.

5.2.15.2 Design Basis

The design is based on steady-state hydraulic modelling using laboratory-derived slurry properties. Key design features include a telescoped wall thickness strategy to match the pressure profile along the 616 km route, corrosion allowances informed by site-specific water chemistry and test work rather than generic empirical assumptions, and a system designed for continuous operation with provisions for controlled restart following planned or unplanned shutdowns.

The pipeline corridor traverses predominantly open tundra terrain with numerous water body and stream crossings. Multi-spread construction using three to four spreads is planned, with materials delivered via the rail network and horizontal directional drilling (HDD) adopted for major waterway and infrastructure crossings.

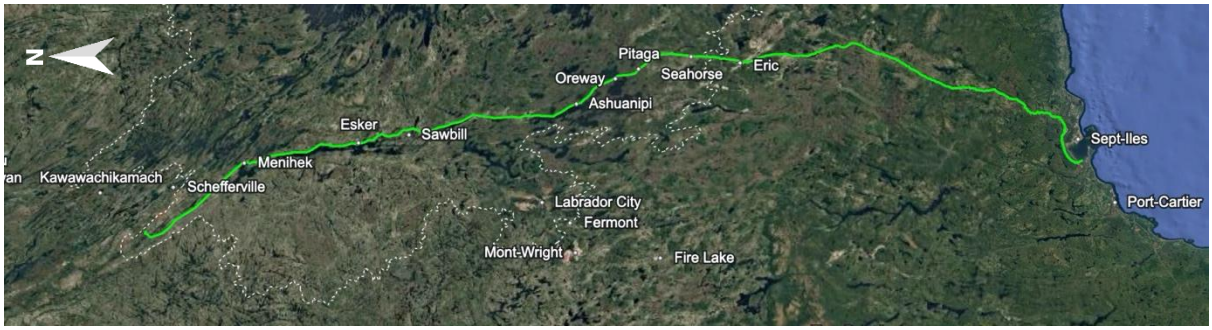

Figure 28: Proposed slurry pipeline route

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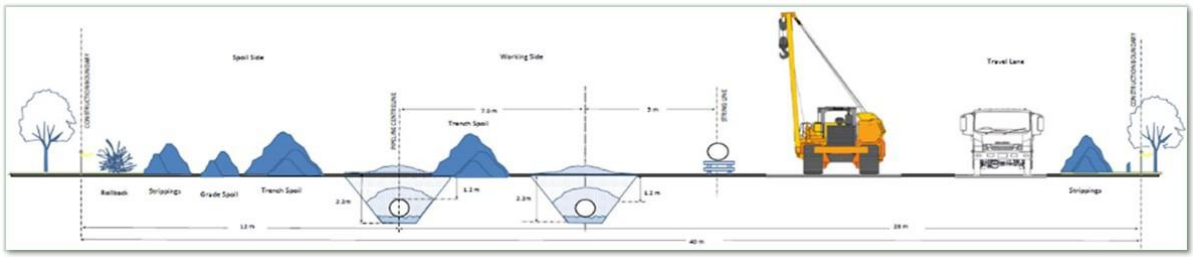


Figure 29: Slurry pipeline construction corridor schematic



Figure 30: Typical pipeline installation corridor site works. Courtesy Fortin Pipelines.



Figure 31: Typical pipeline installation site works. Courtesy Fortin Pipelines.

5.2.15.3 Cold Weather Operation

Operating in a subarctic environment with winter surface temperatures as low as –40°C presents significant freeze risk. Both pipelines are buried at a minimum depth of 2.0 m to provide thermal insulation, giving approximately a 72-hour buffer period following an unplanned shutdown before freezing becomes a risk. Emergency contingency plans include flushing the system with a 10% glycol solution. Operational readiness for rapid response to any pipeline fault is therefore critical, as failure to repair a leak or rupture within the three to four day cooldown window could result in a system blockage.

5.2.15.4 Key Risks

The principal risks identified in the PFS include geotechnical uncertainty along the 616 km alignment, which intersects complex terrain including side slopes of up to 80% requiring drill-and-blast excavation and specialised construction methods. Water quality poses a corrosion risk: microbial analysis identified populations of sulphur-oxidising, sulphate-reducing and iron-reducing bacteria, indicating a potential for microbiologically influenced corrosion that could require upgraded materials or additional chemical dosing if the return water chemistry proves more aggressive than currently modelled. HDD

feasibility at major crossings is dependent on subsurface conditions that require further investigation. The construction program is heavily reliant on the existing rail network for material supply, and any disruption to line pipe delivery could have cascading schedule impacts. Proximity to existing 735 kV high-tension powerlines along portions of the route introduces electrical induction hazards requiring careful cathodic protection engineering and emergency response planning.

5.2.15.5 Opportunities

Several optimisation opportunities were identified for the BFS. Detailed geotechnical and thermal modelling may demonstrate that the return water pipeline can be buried at a shallower depth than the conservative 2.0 m assumed at PFS, reducing excavation volumes and cost. Further slurry characterisation and corrosion testing may support a reduction in pipe wall thickness. Confirming the positive impact of concentrate demagnetisation on slurry rheology and settling behaviour could reduce pumping power requirements over the 40-year design life. Route optimisation based on high-fidelity field surveys may avoid the steepest terrain sections, reducing civil enabling works and improving the construction programme.

5.2.15.6 Relationship to Rail

The pipeline was evaluated in parallel with rail as the principal transport options for the Project, with a rail-plus-pipeline hybrid also assessed. The base case adopted for the PFS financial model is rail transport. The pipeline option and hybrid configurations remain live alternatives that will be further assessed in the optimisation phase, and the preferred transport solution will be confirmed in the BFS. Should the pipeline be adopted, the total operational power load at the mine and concentrator increases from 490 MW to 529 MW to account for the concentrate and return water pump stations.

5.2.16 Transport Corridor

The Iron Bear Project presents a logistics challenge typical of remote northern mine development: there is no all-season road connection between the mine site and major population centres, and the existing rail network imposes envelope constraints that are too restrictive for oversized or modular construction cargo. A dedicated logistics study was completed by Hatch during the PFS to identify viable alternate construction access corridors, define a realistic transport envelope for modular deliveries and compare options using weighted qualitative and economic criteria.

The QNS&L and Tshiuetin rail corridor was treated as background context for the logistics study. Rail remains the primary means of operational product transport and can accommodate conventional freight and smaller preassembled packages, but the northbound corridor from Emeril to Schefferville is width-constrained at approximately 4.42 m, which is materially narrower than the road-based modular envelope being pursued for construction. A road-based or hybrid strategy is therefore required to deliver large and modular equipment to site.

The logical method to complement rail-only is road transport from Baie-Comeau to Labrador City, with rail of larger components to the mine site.

Five non-rail heavy haul corridor options were evaluated, with the following approximate inland haul distances from their respective marine gateways:

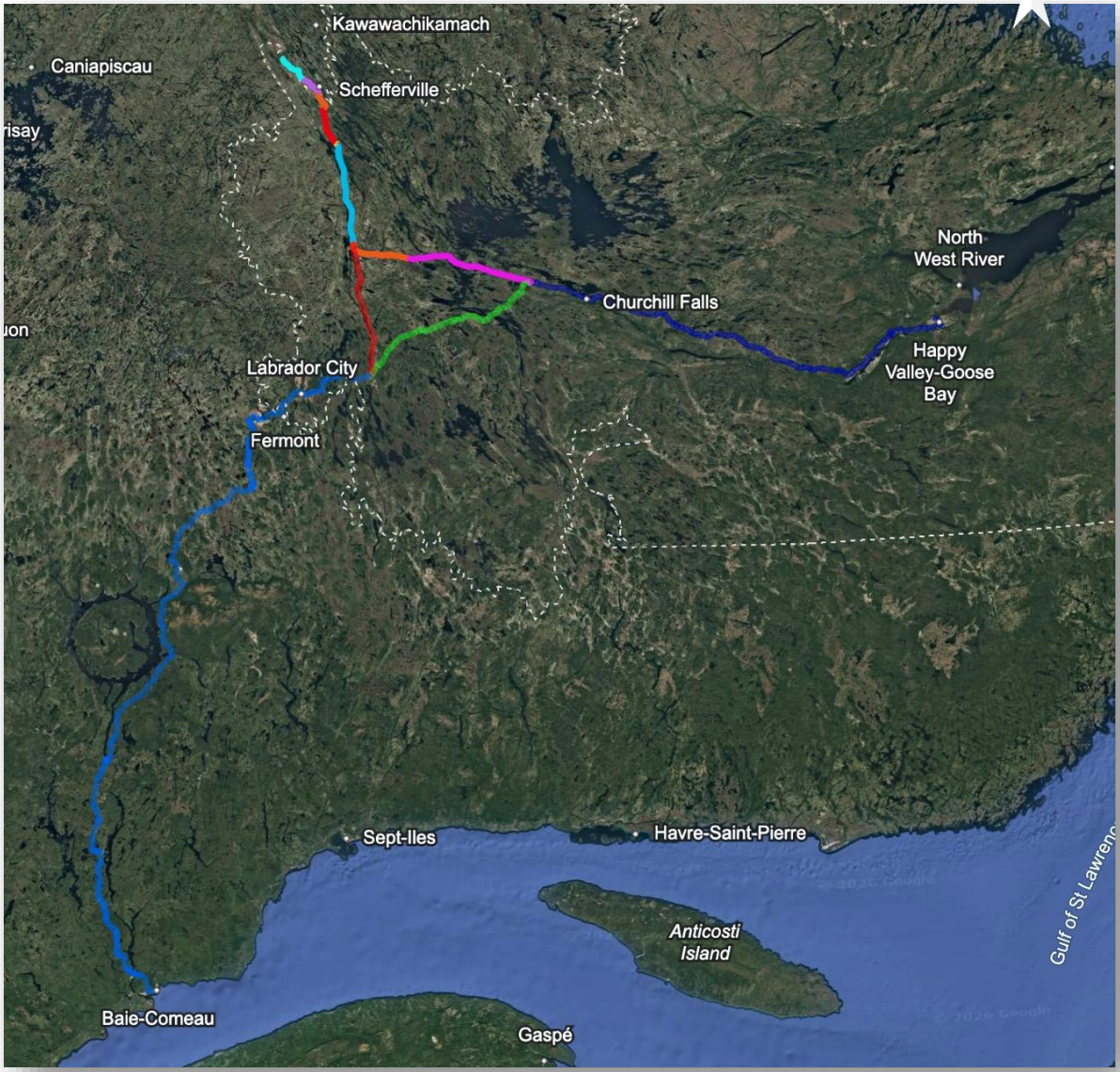


Figure 32: Route options 1-5 evaluated.

- **Option 1:** (Baie-Comeau → Highway 389 → Esker Road → Menihek via Tshiuetin Alignment → IB Mine) — 1,083 km, with 338 bridge and culvert obstacles.
- **Option 2:** (Baie-Comeau → Highway 389 → Tshiuetin Alignment direct → IB Mine) — 900 km, with 279 obstacles.
- **Option 3:** (Goose Bay → Highway 500 → Churchill Falls → Esker Road → Menihek via Tshiuetin Alignment → IB Mine) — 630 km, with 129 obstacles.
- **Option 4:** (Goose Bay → Highway 500 → Churchill Falls → Esker → Menihek Winter Road → IB Mine) — 626 km, with 114 obstacles, but reliant on an ice road crossing of the Menihek waterbody that has been assessed as not viable for oversized or modular transport.

- **Option 5**: (Goose Bay → Highway 500 → Emeril → Tshiuetin Alignment direct → IB Mine) — 725 km, with 234 obstacles.

Option 3, via the Port of Goose Bay and Highway 500 (Trans-Labrador Highway) through Churchill Falls, scored highest in the weighted evaluation with a score of 3.21 and is recommended as the primary planning case for the BFS. The Port of Goose Bay, with a 244 m industrial dock and precedent for heavy project cargo, is the preferred marine gateway, though marine access is seasonal (approximately April to December) and dock load ratings require confirmation. Highway 500 is fully paved and structurally sound, with its rock-based foundation performing well relative to southern clay-based corridors.

The Esker Road, which forms part of the Option 3 corridor beyond Churchill Falls, is not maintained as a public highway and is considered to require substantial upgrading for heavy haul use. Key segments of the Tshiuetin alignment road between Emeril and Esker are similarly discontinuous and effectively require new construction. These sections represent the primary engineering challenge of the preferred corridor and will be the focus of detailed investigation in the BFS.

A road-to-rail hybrid concept (Option 6: Goose Bay → Highway 500 → Emeril → Tshiuetin Railway → Schefferville → IB Mine) was also assessed and is retained as a de-risking option for specific cargo streams where the full road envelope is not required. It does not substitute for the primary road-based modular strategy.

Three planning cases will be carried into the next study phase:

- Planning Case A, the primary road-based solution developed around Option 3;
- Planning Case B, the truck-to-rail hybrid as a de-risking option; and
- Planning Case C, a rail-only reference case to establish known envelope and weight constraints for cargo streams where rail remains appropriate.

Intermediate staging areas are planned at Goose Bay (primary marine laydown), Baie-Comeau (breakbulk where required), Churchill Falls and Labrador City/Wabush, with a final staging area near Schefferville/Hope Lake.

5.2.17 Site Infrastructure and Services

Both the Schefferville mine site and the Pointe-Noire pelletising and port site require a full suite of infrastructure and site services to support construction and ongoing operations. These are designed with the sub-arctic climate as a primary constraint, incorporating winterisation, heat tracing, insulation and HVAC across all facilities.

5.2.17.1 Schefferville – Mine Site

The mine site administration complex houses office workspaces, cafeteria, dry cleaning facilities, laboratory, emergency rescue room and central data communications. An accommodation complex provides rooms, catering, a convenience store, recreation rooms, gymnasium and main cafeteria for workers and contractors on rotation. A large mine truck maintenance garage supports the complete mining fleet, with maintenance bays, wash bay, tire replacement bay, welding shop and truck parts store. A mine warehouse stores materials, equipment and consumables delivered by rail. Supporting facilities include a core processing and storage facility, assay and environmental laboratory, metallurgical facility for ongoing process test work, and a dedicated first aid and emergency response garage housing a firetruck and ambulance.

Diesel fuel is transported by rail to an on-site tank farm and distributed as required. All waste will be managed separately in accordance with ISO 14000 practices. Site access is controlled by a gatehouse at the intersection of the main access road and the existing Tata Steel haul road, with six designated parking areas for haul trucks, mine light vehicles, visitors, employees, process plant personnel and loaders. The mine haul road runs along the northern boundary of the property, connecting the pit to the primary crusher and mine truck maintenance facility, with the layout designed to minimise intersection between heavy mining equipment and light vehicles.

5.2.17.2 Site Services – Both Sites

Compressed air is supplied from a central compressor room to all process and maintenance areas, including dedicated air dryers for instrument air loops. The primary crusher area at Schefferville, being distant from the main plant, has a separate compressed air system. At Pointe-Noire, separate compressed air systems also serve the boiler building and additive storage areas.

All process, administration, storage and maintenance buildings at both sites are equipped with HVAC systems powered from the main electrical supply. Garage doors and man doors are fitted with overhead thermal force air fan heaters to prevent ice formation at entries, with electrically heated floors as an alternative option. Electrical substation buildings have standalone positively pressurised HVAC systems.

Dust collection hoods are installed at every dry material discharge point, with collected dust returned to the downstream processing line. Crushers at both sites operate under negative pressure to contain dust within the equipment envelope.

Site lighting is provided across all operational areas in accordance with IES recommendations, with emergency lighting in substations, working areas and evacuation routes. Tower lights at the primary crusher area ensure visibility for haul truck drivers.

IT and communications infrastructure will support the full operational life of both sites. Satellite connectivity will be used during construction, transitioning to microwave or fibre-optic infrastructure for operations. The system will integrate with Iron Bear's corporate platforms including ERP, mine planning systems, IT security and Microsoft M365.

A standalone IP telephony system will provide voice communications given the potential latency associated with satellite connectivity at remote sites. Servers and storage are deployed across two separate data centres for redundancy, with hyper-converged infrastructure supporting workloads that cannot be hosted centrally.

5.2.17.3 Pointe-Noire – Port and Pelletising Site

The Pointe-Noire site is arranged on a large single-level terrace housing the pelletising plant, stockpiles and materials handling infrastructure. A secondary terrace near the Quai de la Relance accommodates reagent storage. No accommodation is provided at Pointe-Noire on the basis that operational staff will live in the surrounding town of Sept-Îles. Site facilities include a truck shop for light maintenance work (with major work conducted in Sept-Îles), an administration complex with offices, dry cleaning, laboratory and emergency rescue room, and a gatehouse with weigh station and vehicle control at the site entrance.

5.3 Evaluated optionality

The PFS included early evaluation of various trade-offs, with the main ones documented below.

Table 14: Main early trade-offs considered in PFS.

Evaluated case	Options	Outcome
Location of primary and secondary crushing	Adjacent, processing plant Adjacent pit In-pit	While in-pit crushing is attractive, it is only viable much later in LOM. Multiple pit entrances negate near-pit advantages. PFS to continue with adjacent-processing plant.
Comminution circuit options	SAG and Ball mill (Scoping study) HPGR and ball mill Tertiary Cone and ball mill	Original - HPGR and ball mills, followed by tertiary grinding Revised – AG mill and ball mills followed by tertiary grinding.
Tertiary grinding circuit	IsaMill HIG Mill	IsaMill, pending vendor test work next phase
Concentrate dewatering	Thickener, Filter Press and Flash drier Thickener, Magnetic Dewatering drum and Bergaz BALF	Thickener, magnetic dewatering drum and Bergaz BALF, pending continuous capacity test work next phase
Tailings management	(1a) Thickened and pressure-filtered – Dry (2) Thickened – Centreline Wet (3a) Cycloned, thickened Slimes – Upstream Wet (4a) Cycloned, Screened and Pressure-filtered slimes – Dry (4b) Cycloned, vacuum filtered and pressure filtered – Dry (5) Thickened and BALF-Dry	Option (2) - Centreline Wet is base case, (5) BALF, (3a) Upstream Wet, (4a) to also progress through Class 4 design.
Processing capacity	25 Mtpa – three processing trains 33 Mtpa - four processing trains	Both Production targets to be evaluated

Concentrate transport	Rail Slurry Rail followed by slurry Rail (8 Mtpa) and staged slurry to 33 Mtpa	All concentrate transport scenarios to be evaluated to Class 4
Construction transport	Road Rail Combination of road and rail	PFS to assume Road enhancements as base case, Combination to be investigated further next phase.
Pellet plant location	Pointe-Noire Mine-site European location MENA location Other sites - confidential	Pointe-Noire to remain the base case for first two pellet plants.

Other options rely on future work, e.g. the next drilling campaign outcomes, or further dry tailings stacking test work, and will be documented later.



06
ECONOMIC EVALUATION

6 Economic Evaluation and Analysis

6.1 Optimisation of the PFS Development Plan

The economic results presented in this chapter are based on the optimised PFS Update development plan and supersede those of the initial PFS estimate. Five improvement levers were applied to the development plan of the initial PFS. Each lever was applied to the Base Case in the financial model in sequence to approximate its individual effect on Project economics. All three scenarios reported in this chapter incorporate these improvement levers.

Updated tailings. The cost estimate for the wet (centreline-raised) tailings storage facility was updated to the Hatch Class 4 estimate. This reduces pre-production CAPEX by approximately 46 MUSD and increases post-tax NPV by approximately 248 MUSD. LOM sustaining capex has reduced by 1,172 MUSD.

Revised comminution circuit. A value engineering review of the concentrator resulted in a revised comminution flowsheet. The reverse flotation circuit is retained, and its capital, sustaining capital and operating costs are now reported within the Concentrator line of the cost tables in this chapter and are no longer shown separately. This change reduces pre-production CAPEX by approximately 227 MUSD and life-of-mine production CAPEX by approximately 437 MUSD, reduces the Stage 3 FOB cash cost by approximately 2.3 USD/t, and increases post-tax NPV by approximately 524 MUSD. LOM sustaining capex has reduced by 303 MUSD.

Throughput and sprint capacity. Each major section of the processing plant has a nominal and sprint capacity which was estimated on a yearly basis as part of the comminution circuit review. The initial 15% sprint capacity was reduced to between 5% to 10% over the initial 6 years of the process plants operation. Once the mine reaches steady state operation in year 11, the ROM feed was optimised to ensure the plant was running at capacity. Steady-state ROM feed increases to between 92 and 103 Mtpa and BF concentrate production to approximately 27 Mtpa, and the Production Target of 3.4 Bt is mined over approximately 40 years. The higher mining rate increases pre-production CAPEX by approximately 67 MUSD and life-of-mine production CAPEX by approximately 268 MUSD, whilst reducing sustaining CAPEX by 201 MUSD. This increases post-tax NPV by approximately 915 MUSD.

Optimised mine plan. The mine schedule was revised to bring higher-grade material forward, with the mass yield of run-of-mine ore to concentrate at 30% to 32% in the first four years of production compared with approximately 29% over the life of mine. Revenue and free cash flow are brought forward with no change to CAPEX. This increases post-tax NPV by approximately 630 MUSD.

Construction schedule. The construction schedule was shortened, with the third processing train commissioned in Year 8 (previously Year 9). This brings forward approximately 8 Mt of BF concentrate production and increases post-tax NPV by approximately 291 MUSD, with no change to life-of-mine production CAPEX.

In combination, these changes increase the Base Case post-tax NPV from 9,006 MUSD to 11,614 MUSD and the post-tax IRR from 15.2% to 17.9%. Pre-production CAPEX decreases from 4,250 MUSD to 4,044 MUSD and life-of-mine production CAPEX decreases from 11,164 MUSD to 10,979 MUSD. The cumulative effect of each change is presented in the table and waterfall diagram below.

Figure 33: Effect of Value Improvement Levers on Base Case Economics (cumulative)



Table 15: Effect of Value Improvement Levers on Base Case Economics (cumulative)

Metric	Initial PFS	Updated Tailings	Revised Comminution Circuit	Sprint Capacity and Throughput	Optimised Mine Plan	Construction Schedule
Post-tax NPV at 8% WACC (MUSD)	9,006	9,254	9,778	10,693	11,323	11,614
Change in post-tax NPV (MUSD)	-	+248	+524	+915	+630	+291
Post-tax IRR (%)	15.2	15.4	16.0	17.1	17.6	17.9
Pre-Production CAPEX (MUSD)	4,250	4,204	3,977	4,044	4,044	4,044
Life-of-Mine CAPEX (MUSD)	11,164	11,148	10,711	10,979	10,979	10,979

6.2 Introduction

The economic and financial analysis presented in this chapter evaluates the technical and commercial viability of the Iron Bear Project at the Pre-Feasibility Study level of definition. The analysis was carried out using a Discounted Cash Flow (**DCF**) approach on both pre-tax and post-tax bases, drawing on the declared Ore Reserves, the mine production schedule developed by Snowden Optiro, the processing recoveries derived from the COREM test work program, and the capital and operating cost estimates assembled by Hatch, IDOM, Snowden Optiro, and Fortin Pipelines in their respective scopes of work.

The Project comprises mining and concentrator facilities located in Labrador near the Quebec–Labrador border, approximately 30 km northwest of Schefferville, together with downstream pelletising and port logistics facilities located at Pointe-Noire, Quebec.

The economic analysis is based on the maiden Probable Ore Reserve of 3.3 Bt at 29.1% Fe declared in the previous PFS, derived from the conversion of Indicated Mineral Resources within the optimised pit shell following completion of the modifying factors assessment in accordance with the JORC Code (2012). The Production Target underpinning the forecast financial information comprises approximately 95% Probable Ore Reserves and 5% Inferred Mineral Resources. The production schedule supports an approximately 40-year mine life and a steady-state blast furnace concentrate output of approximately 27.5 Mtpa, equating to approximately 25.9 Mtpa of high-value iron ore products, comprising blast furnace concentrate, direct reduction concentrate, and direct reduction pellets.

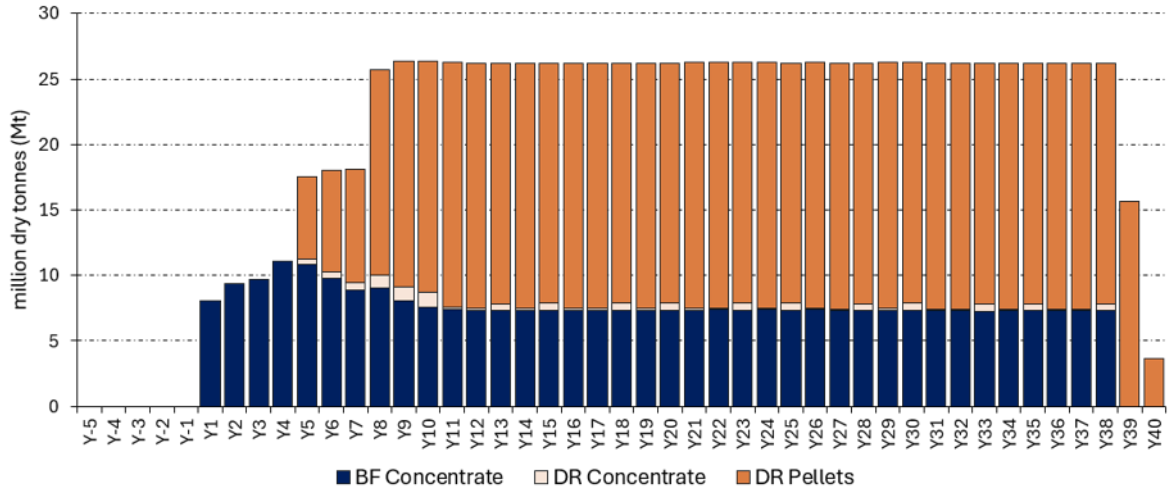
Revenue derived from the Inferred Mineral Resource fraction is included in the economic analysis presented in this chapter. The Inferred material is scheduled, mined and processed within the life-of-mine production plan on the same basis as the Probable Ore Reserve material, and the products derived from it are sold at the same realised prices; the cash flows, NPV, IRR and payback period reported in this chapter therefore reflect revenue from the full Production Target.

The Production Target comprises approximately 95% Probable Ore Reserves and 5% Inferred Mineral Resources. Although Inferred Mineral Resources are associated with a lower level of geological confidence, the limited proportion included in the Production Target is considered appropriate for a project at the PFS stage and is not regarded as a determining factor in the Project's economic viability. Additional drilling programs are expected to progressively improve confidence in these areas during future study phases, however, there is no certainty that all Inferred Mineral Resources will be converted to Indicated Mineral Resources or Ore Reserves, or that the Production Target will ultimately be realised.

This chapter contains forward-looking information regarding the Ore Reserve and Resource estimate, commodity prices, exchange rates, the proposed mine production plan, projected recovery rates, capital and operating costs, and the Project schedule. The results are subject to known and unknown risks, uncertainties and other factors that may cause actual outcomes to differ materially from those presented in this report. All monetary values are expressed in United States Dollars (**USD**) unless otherwise stated.

The life-of-mine production profile underpinning the economic analysis is presented in Figure 34, showing annual saleable product output (BF concentrate, DR concentrate and DR pellets) across the staged ramp-up and steady-state periods.

Figure 34: Life-of-Mine Production Profile



6.3 Economic Development Strategies

The Base Case defines a technically robust and commercially attractive development pathway for the Project. It comprises a 40-year mine life supported by a three-train concentrator plant expanding to a nominal 27 Mtpa of BF concentrate output, heavy-haul rail transport of concentrate to Pointe-Noire, two travelling-grate pellet plants commissioned in line with the staged expansion of concentrate production, and a centreline-raised wet slurry tailings storage at the mine site.

During the PFS, several alternative development strategies were evaluated to identify opportunities to improve project economics, optimise capital deployment, reduce infrastructure risk, and maximise long-term value creation. This chapter models and reports three scenarios to AACE Class 4 accuracy, each isolating a single strategic variable against an otherwise identical Base Case so that the economic impact of that variable can be assessed independently:

- **Scenario 1 – Base Case.** Rail transport of concentrate to Pointe-Noire, wet (centreline-raised) tailings storage, and a levelised cost of energy (LCOE) charge for power supply on the assumption that the power transmission infrastructure is constructed, owned and operated by a third party. The LCOE treatment is described in Section 6.3.1.
- **Scenario 2 – Slurry Pipeline.** The Base Case with the rail logistics solution replaced by a 616 km buried slurry pipeline (with an integrated return-water pipeline) from the mine site to Pointe-Noire. All other elements, including wet tailings and the LCOE power treatment, are held identical to the Base Case.
- **Scenario 3 – Dry Stacked Tailings.** The Base Case with the wet (centreline-raised) tailings solution replaced by a filtered dry-stacked tailings facility. All other elements, including rail transport and the LCOE power treatment, are held identical to the Base Case.

Presenting the alternatives as single-variable substitutions on a common Base Case allows the incremental economic effect of each strategic choice, the transport solution and the tailings solution, to be read directly from the comparative results, without compounding effects from other changes. Additional development strategies evaluated qualitatively during the PFS, including a rail-and-slurry hybrid, a fourth processing train to 33 Mtpa, and the number and timing of pellet plants, are summarised in Section 6.3.4 and remain candidates for the Project Value Improvement (**PVI**) phase and the next study phase.

6.3.1 Power Supply

Power will be supplied by Newfoundland and Labrador Hydro (NL Hydro). The Company is in discussions with NL Hydro on supply and on how the transmission infrastructure will be delivered. No power purchase agreement or capacity allocation has been signed.

The PFS assumes the transmission lines and terminal stations (approximately USD 3.0 billion) are built, owned and financed by a third party. The Project pays for them, including the owner's return, through a delivered electricity price of USD 0.148 per kWh, compared with USD 0.0315 per kWh at the generation point. This capital is not in Project CAPEX, but the Project pays for it in full through operating costs.

This is the more expensive option for the Project. If the Project funded the transmission itself, pre-production CAPEX would be approximately 1,293 MUSD higher and post-tax NPV would be 4% to 6% higher.

Supply depends on the Churchill Falls upgrades and Gull Island development being progressed by NL Hydro and Hydro-Québec under the agreement announced on 17 August 2026, which remains subject to definitive agreements.

6.3.1.1 Recovery of transmission capital

As a cross-check, the financial model was run with the transmission infrastructure funded by the Project and power purchased at the generation-point rate. The comparison was made on the process plant configuration in which power costs are itemised by cost area, for both the initial and the optimised mine plans. Funding the infrastructure as Project capital increases pre-production CAPEX by approximately 1,293 MUSD (approximately 2,962 MUSD in real terms across the three stages) and reduces the Stage 3 FOB cash cost by approximately 14 USD/t. Post-tax NPV increases by 4% to 6% and post-tax IRR decreases by 1.2 to 1.4 percentage points as a result of the higher initial investment. The Project NPV is therefore not materially affected by the ownership model.

6.3.1.2 How the LCOE is calculated

The LCOE adopted in this chapter has been developed by Hatch as part of the Iron Bear Power Supply PFS. The LCOE expresses the average cost of each unit of electricity delivered over the life of the power asset. It divides the discounted sum of all costs, capital expenditure plus operating and maintenance expenditure, the latter including the energy and demand purchased from the grid, by the discounted sum of all energy delivered over the same period:

$$LCOE = \Sigma [(I_t + M_t) / (1 + r)^t] \div \Sigma [E_t / (1 + r)^t]$$

where, in each year t of the asset life, I_t is the capital expenditure on the transmission lines and terminal stations; M_t is the operating and maintenance expenditure (the fixed cost of maintaining the transmission assets plus the variable cost of energy and demand purchased from the grid); E_t is the electrical energy delivered to the Project; and r is the discount rate applied over the project lifetime n.

The result can be read as the flat, all-inclusive tariff the Project would need to pay a third-party owner for that owner to recover its full costs over the life of the asset. Because both costs and energy are discounted, the LCOE is sensitive to the discount rate and to the assumed escalation in energy and demand charges.

6.3.1.3 Cost basis adopted by Hatch

Hatch built up the transmission CAPEX from direct construction costs for the transmission lines and terminal stations, to which indirect costs, a 30% contingency and an 8% Owner's cost allowance were added, giving a total of approximately USD 3 billion for the mine supply. It is this capital, together with its financing, that the LCOE charge is designed to recover, and which does not appear in the Project's own CAPEX.

Power operating cost has two components. The fixed component is the routine inspection, maintenance, asset management and compliance cost of the transmission assets, assumed by Hatch at this level of study to be 1% per annum of the respective CAPEX. The variable component is the cost of the electricity itself, purchased from the grid under an energy charge (USD 0.0315 per kWh[8]) and a power, or demand, charge (USD 7.73 per kW per month), both based on the Labrador industrial firm rates published in the Newfoundland and Labrador Schedule of Rates, Rules and Regulations.

6.3.1.4 Sensitivity and limitations

Hatch tested discount rates from 5% to 10% and inflation rates from 0% to 2%, and found the LCOE varies by approximately −30% to +15% relative to the adopted case. The LCOE values ranged from 10.53 US cents per kWh at a 5% discount rate with no escalation, to 16.21 US cents per kWh at a 10% discount rate with 2% escalation, against the adopted value of 14.79 US cents per kWh at 8% and 2%. The adopted case therefore sits toward the conservative (higher cost) end of the tested range. The following limitations attach to the LCOE figures and are to be addressed in future study phases:

- The energy and demand rates are based on published Labrador industrial tariffs. The final tariff structure, commercial terms and conditions, and delivery arrangements will be confirmed through discussions and negotiations with NL Hydro and other relevant stakeholders during subsequent study phases.
- The LCOE assumes a third-party ownership model with a nominal 8% return on invested capital. The final delivered electricity tariff will depend on the agreed commercial structure, financing arrangements, contractual terms and the infrastructure owner's required return.

[8] Exchange rate of 0.73 CAD/USD applied for conversion.

- The load estimate underpinning the energy denominator is based on the wet tailings configuration; the incremental filtration load in the Dry Stacked Tailings scenario is not yet included and will increase energy consumption.
- The transmission CAPEX carries a 30% contingency, consistent with the AACE Class 4 basis of the Power Supply PFS; the accuracy range on the capital component of the LCOE is correspondingly wide.

6.3.2 Concentrate Transport

Concentrate transport is the single largest infrastructure cost driver of the Project and a key lever on both pre-production CAPEX and life-of-mine OPEX. Two transport solutions are carried into the scenario modelling in this chapter, rail (Base Case) and slurry pipeline (Scenario 2), with a rail-and-slurry hybrid retained as a qualitative development strategy (Section 6.3.4).

6.3.2.1 Base Case: Rail Transport (8 to 25 Mtpa)

The rail configuration was selected as the Base Case because it requires the lowest initial capital investment while leveraging the existing regional heavy-haul corridor. Concentrate is transported approximately 620 km by rail from the mine site to Pointe-Noire along a shared corridor operated by independent rail operators. The existing infrastructure comprises the running corridor only and does not include the rail facilities required at either end of the haul. Iron Bear will construct a new rail loop and train load-out at the mine site in Stage 1. During the first production stage (approximately 8 Mtpa), existing operator facilities at the port are anticipated to have sufficient unloading capacity to accommodate Iron Bear's throughput; in Stage 2, Iron Bear will construct its own unloading loop and rotary car tippler at Pointe-Noire, together with the minor upgrades to the existing corridor, to support the expanded traffic. These works are included in the rail capital cost presented in Section 6.5.1.

Successful implementation requires coordination among the rail operators to ensure reliable product flow and achieve targeted shipment volumes throughout the life of the Project. The primary commercial risk centres on access-fee negotiations with the third-party rail infrastructure owners (KLT, Tshiuetin, QNS&L and SFPPN). A targeted legal and commercial due diligence assessment confirmed that the existing regulatory framework provides a degree of protection to IBR under the Canada Transportation Act but identified residual risks that reinforce the importance of securing long-term access agreements before a Decision to Mine.

6.3.2.2 Scenario 2: Slurry Pipeline Replacing Rail

The slurry pipeline scenario replaces rail transport with a dedicated 616 km buried DN650 concentrate pipeline and a DN700 return-water pipeline, with a head pump station and two intermediate pump stations along the corridor, as designed by Fortin Pipelines at AACE Class 4 accuracy. The pipeline is operated in batch mode during the early phases until all three processing stages are all operational, and the return-water loop sends process water back to the mine site. The slurry solution substantially reduces long-term dependence on third-party rail infrastructure, commercial tariff negotiations, and provides a dedicated transport corridor capable of supporting future production expansion and reduces

the Project's carbon dioxide emissions (Scope 1 emissions fall from approximately 29 kg/t to 23 kg/t of sales when the pipeline is deployed).

Adoption of the pipeline increases the total operational power load at the mine and concentrator from approximately 490 MW to 530 MW to account for the concentrate and return-water pump stations; this incremental power is captured in the Scenario 2 operating cost via the LCOE electricity charge. The key risks for this scenario are geotechnical uncertainty along the alignment, cold-weather management, the feasibility of major watercourse crossings using horizontal directional drilling, and seasonal logistics and construction challenges for pipeline construction in a remote northern environment.

6.3.3 Tailings Management

Tailings management is the second strategic variable modelled in this chapter. Tailings were assessed at a PFS level during the PFS Update by Hatch, with Class 4 engineering of four shortlisted storage concepts. Two wet storage solutions (centreline-raised and upstream-raised) as well as a dry-stacked solution with different dewatering methods (filter-pressed and non-thermally dried) were progressed in engineering design detail.

6.3.3.1 Base Case: Wet (Centreline-Raised) Tailings Storage

The Base Case adopts a wet slurry impoundment with centreline raises using a rockfill and tailings hybrid embankment section, with a starter dam raised progressively to provide storage capacity over the life of mine. Water management is integral to the design, with reclaimed water pumped from the decant pond back to the plant process-water circuit for reuse and seepage collected in downstream ponds. The wet centreline solution offers the lowest pre-production capital cost of the shortlisted options and is well understood operationally, but carries a larger active water surface and long-term dam-safety management obligations.

6.3.3.2 Scenario 3: Filtered Dry-Stacked Tailings

The dry-stack scenario replaces the wet impoundment with a filtered (cycloned, screened and pressure-filtered) dry-stacked facility with an overall slope of 3H:1V, a starter facility sized for approximately three years of production, and ultimate stack heights of up to approximately 150 m, incorporating basal drainage and perimeter contact-water collection. Dry stacking improves environmental sustainability by substantially reducing the wet tailings dam and its associated water surface and dam-safety risk profile. However, it increases both pre-production CAPEX (filtration plant and materials-handling equipment) and life-of-mine OPEX (filtration power and consumables, and tailings placement). Dry stacking of iron ore tailings at this scale remains subject to further technical and operational evaluation for arctic conditions, and is one of three tailings configurations recommended for advancement to BFS-level design.

6.3.4 Additional Development Strategies

The following strategies were evaluated qualitatively during the PFS and are not separately modelled in the three-scenario economic comparison, but are retained for assessment in the planned Project Value Improvement (PVI) phase and subsequent studies:

- **Rail-and-slurry hybrid.** Operating rail and pipeline in parallel from Phase 2, retaining rail for initial production while progressively introducing the pipeline as volumes grow, deferring part of the pipeline capital to later phases. This configuration is the enabling condition for the fourth processing module.
- **Fourth processing module to 33 Mtpa.** Addition of a fourth concentrator train increasing total capacity to 33 Mtpa (a 33% uplift on Phase 3). This strategy is inherently linked to the hybrid transport scenario, as the rail corridor is assumed to be unable to carry volumes materially above 25 Mtpa without substantial capital deployment. It maximises capital efficiency by fully utilising the 25 Mtpa slurry line and increases the deployment of the Mineral Resource within the existing footprint by expanding throughput, potentially delivering materially higher undiscounted cash flows.
- **Number of pellet plants.** The Base Case incorporates two travelling-grate pellet plants at Pointe-Noire, commissioned in Phases 2 and 3. A third pellet plant becomes relevant exclusively in the context of the fourth processing module at 33 Mtpa, where the DR-grade output can supply the capacity of three plants; it represents the highest-capital, highest-revenue configuration of the Project.

6.4 Methodology and Basis of Evaluation

Capital and operating cost estimates were developed on a Q1 2026 base-year cost basis. Inflation and escalation were applied separately within the financial model to produce a nominal cash flow forecast over the Project life, as described further below. Costs are reported in United States Dollars (USD), with source estimates developed in Canadian Dollars converted using the reference exchange rate set out in Table 17 below. Readers should exercise caution when comparing the costs presented in this chapter with those reported in the supporting discipline studies and elsewhere in this PFS as the contributing studies were prepared in a mix of currencies.

The financial evaluation was conducted on a 100% equity financing basis, with no Project debt assumed. The cash flows are therefore unlevered (ungeared): no drawdown or repayment of debt, no interest during construction, and no interest expense or financing fees are included, and the NPV, IRR and payback reported in this chapter are unlevered, project-level returns attributable to the total capital invested rather than returns to equity. The discount rate of 8.0% represents the Company's estimated weighted average cost of capital based on a target capital structure, which is the conventional basis on which unlevered project cash flows are discounted.

The Owner may elect to finance a portion of the pre-production capital through debt instruments, offtake prepayments or other structures at a later stage. Any such structure would introduce an interest tax shield and would alter the returns attributable to equity; it would be evaluated separately in future study phases and is not reflected in the results presented here. The DCF was performed on the total Project on a 100% ownership basis.

Inflation and escalation were applied to capital expenditure, operating costs, and product realised prices over the life of the Project to produce a nominal cash flow forecast that reflects the dollars in which these cash flows will be incurred and received. A generic Consumer Price Index (**CPI**) escalation rate of 2.5% per annum is applied to CAPEX, OPEX and closure costs. Product realised prices are escalated using a two-component structure: the 65% Fe (P65) benchmark reference escalates at 2.5% per annum, while the DR pellet premium escalates at 3.0% per annum, reflecting the structurally tighter long-term supply–demand balance expected for DR-grade pellet feed and generally the worldwide depletion of higher-grade iron ore deposits.

The Net Present Value (**NPV**) was calculated based on the resulting nominal cash flow on both pre-tax and post-tax bases, using a nominal discount rate of 8.0%, consistent with the discount rate applied by comparable iron ore producers in the Labrador Trough at the PFS stage. The discount rate is applied on a mid-year convention basis from the first year of construction expenditure. The Internal Rate of Return (**IRR**) on total investment is calculated on pre-tax and post-tax bases from the moment of the first cash outflow for construction. The undiscounted payback period is measured from the first operating cash inflow.

Project revenue is derived from the sale of two concentrate products (BF and DR grade) and DR-grade pellets into the international seaborne market, with all production assumed sold in the year of production. The market analysis favoured sales to the European, North African and North American regions to minimise CFR transport cost, with product prices established on a Cost and Freight (**CFR**) basis. Shipping destinations and incurred shipping costs are based on benchmarked commercial assumptions for Capesize vessels loaded at the Pointe-Noire berths.

The economic evaluation considers a 40-year mine life. The first nine years of production are constrained by the phased construction and commissioning of the three processing trains, each delivering approximately 9.2 Mtpa of concentrate capacity, with the second and third trains coming online in Years 5 and 8 respectively before the operation reaches full nameplate capacity of a nominal 27.5 Mtpa of BF concentrate. The two pellet plants evaluated by IDOM, each with a nominal capacity of 9.3 Mtpa, are included in the consolidated Project economics and are commissioned in line with the staged expansion of DR-grade concentrate production.

The three scenarios described in Section 6.3 share this common production schedule, revenue basis, escalation framework, discount rate and power (LCOE) treatment. They differ only in the transport solution (Scenario 2) or the tailings solution (Scenario 3) substituted into the otherwise identical Base Case, isolating the CAPEX and OPEX consequences of each strategic choice.

6.5 Key Assumptions

Table 16: Key Assumptions and Basis and Table 17: Key Economic and Market Assumptions summarises the key technical, macroeconomic, and cost assumptions used in the financial evaluation.

Table 16: Key Assumptions and Basis

Key Assumption	Unit	LOM Value
Production Assumptions (common to all scenarios)		
Probable Ore Reserve	billion tonnes	*3.3*
Ore Reserve Grade — Total Fe	%	29.1
Ore Reserve Grade — Magnetic Fe	%	19.8
Total LOM Mill Feed Inventory (Production Target)	billion tonnes	3.4
of which Probable Ore Reserve	%	95
of which Inferred Mineral Resource	%	5
Waste Mined	billion tonnes	1.51
Total Material Movement	billion tonnes	4.95
Strip Ratio (Life of Mine)	waste:ore	0.44
Peak Annual Material Movement	Mtpa	≈ 165
Mine Life	years	40
Process Feed Rate (steady state)	Mtpa	100
Process Recovery — MagFe to BF Concentrate	%	97.6
Process Recovery — MagFe to DR Concentrate	%	88.7
Steady-State BF Concentrate Product	Mtpa	≈ 27.5
BF Concentrate Grade — Fe / SiO_2	% Fe / %	69.1 / 3.5
DR Concentrate Grade — Fe / SiO_2	% Fe / %	71.0 / 1.2

Long term iron ore price assumptions were validated as unchanged since July 2026. The Fastmarkets short term 62%Fe iron ore price assessment has decreased from USD97/DMT CFR China to USD90/DMT CFR China on 16 November 2026. This is not expected to impact the long term price outlook.

Table 17: Key Economic and Market Assumptions

Macroeconomic and Market Assumptions (common to all scenarios)		
Cost Estimate Base Year	—	Q1 2026
Benchmark 62% Fe Price — CFR (real)	USD/dmt	100.4
Benchmark 65% Fe (P65) Price — CFR (real)	USD/dmt	120.0
BF Concentrate CFR Price (real)	USD/dmt	152.0
DR Concentrate CFR Price (real)	USD / dmt	160.0
DR Pellet CFR Price (real)	USD/dmt	212.3
Average Ocean Freight Cost (Pointe-Noire, Q1 2026)	USD/wmt	7.9
Exchange Rate (flat over LOM)	USD:CAD	0.73
Electricity Price — LCOE, delivered (mine site)	USD/kWh	0.148
Low-Sulphur Heavy Fuel Oil (LSHFO)	USD/t	563
Diesel (delivered to site)	USD/L	1.42
Discount Rate (nominal WACC)	%	8.0
Royalty — Net Smelter	%	1.0
SG&A (on revenue)	%	2.0

Inflation and Escalation (annual, compound - common to all scenarios)		
CAPEX Escalation — Generic CPI	%/yr	2.5
OPEX Escalation — Generic CPI	%/yr	2.5
62% Fe Benchmark Price Escalation	%/yr	2.5
DR Pellet Premium Escalation	%/yr	3.0

The following supplementary assumptions apply to the financial evaluation:

- All concentrate and pellet products produced in a given year are assumed to be sold in that same year, consistent with established offtake practice in the Labrador Trough.
- Long-term iron ore pricing is based on a P65 (65% Fe) CFR China index reference derived from Wood Mackenzie and other analyst forecasts and a peer-review of 2025-2026-published studies, with quality premiums applied for the Project's high-grade, low-impurity BF concentrate (69.1% Fe) and DR-grade concentrate (71.0% Fe) and pellets (68.4% Fe) reflecting their Value-in-Use and appropriate commercial discounts in both the blast-furnace and direct-reduction steelmaking routes.
- Power supply is treated on an LCOE basis in all three scenarios (see Section 6.3.1 above); the transmission-line and power capital cost is therefore excluded from Project CAPEX and recovered through the delivered electricity price.
- Capital expenditures are presented in accordance with AACE International Class 4 estimate accuracy, with contingency applied across direct, indirect and EPCM scopes; the post-contingency accuracy range is approximately −25% to +25%.
- Full nameplate concentrate production is achieved in approximately Year 11, following sequential commissioning of the three processing trains (Years 5 and 8 for Trains 2 and 3).
- Costs incurred prior to a Decision-to-Mine (**DTM**), including completion of the BFS, additional metallurgical variability test work, geotechnical and hydrogeological investigation, and permitting, are categorised as sunk costs and excluded from Project CAPEX and the financial model.
- A 1% Net Smelter Return (**NSR**) royalty and a 2% SG&A charge on revenues are applied across the life of mine.
- The financial model incorporates the benefit of tax holidays applicable to qualifying investments in the resource regions of Newfoundland and Labrador and Quebec, and incentives associated with the classification of high-purity iron ore as a strategic critical mineral (see Section 6.6.2 below).

6.5.1 Production Capital Cost by Stage and Scenario

The Project is developed in three stages, each corresponding to the construction and commissioning of a processing train and its supporting infrastructure. Stage 1 delivers the initial approximately 8 to 9 Mtpa of concentrate capacity together with the mine, first concentrator train, common site infrastructure and initial tailings and transport works. Stages 2 and 3 add the second and third concentrator trains, the two pellet plants at Pointe-Noire, and the incremental tailings, transport, port and power-connection capacity required to reach full nameplate production. Table 18 to Table 20 below present the production capital cost broken down by stage for each of the three scenarios, expressed in real Q1 2026 US dollars inclusive of EPCM and contingency. Mining capital incurred after commissioning of the third train, principally mine fleet additions over the remaining mine life, is reported within Stage 3.

Populating the stage-by-stage split for each scenario allows the timing of capital deployment, and the capital intensity of each strategic choice, to be assessed against the staged production ramp-up.

Figure 35: Base Case life-of-mine production capital cost split by area

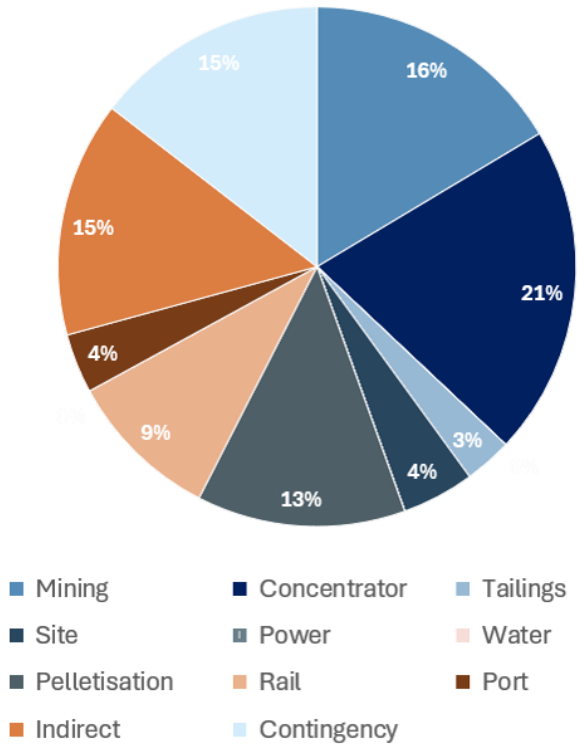


Table 18: Capital Cost — Scenario 1, Base Case (MUSD, real Q1 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	491	60	1,253	1,804
Concentrator	916	887	456	2,259
Tailings	326	-	-	326
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	623	291	133	1,047
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	616	536	460	1,612
Contingency	631	598	369	1,598
Total Production CAPEX	**4,044**	**3,522**	**3,414**	**10,979**

Table 19: Capital Cost — Scenario 2, Slurry Pipeline (MUSD, real Q1 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	491	60	1,253	1,804
Concentrator	916	887	456	2,259
Tailings	326	-	-	326
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Slurry Pipeline	2,491	-	-	2,491
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	756	474	418	1,648
Contingency	969	557	354	1,880
Total Production CAPEX	**6,390**	**3,128**	**3,225**	**12,743**

Table 20: Capital Cost — Scenario 3, Dry Stacked Tailings (MUSD, real 2026)

Capital Cost Area	Stage 1	Stage 2	Stage 3	LOM
Direct				
Mining	491	60	1,253	1,804
Concentrator	916	887	456	2,259
Tailings	680	-	-	680
Site Infrastructure and Services	440	28	28	496
Pelletising	-	715	715	1,431
Rail	623	291	133	1,047
Port and Materials Handling	-	407	-	407
Indirect & Contingency				
Indirect	762	536	460	1,758
Contingency	756	598	369	1,722
Total Production CAPEX	**4,668**	**3,522**	**3,414**	**11,604**

6.5.2 Sustaining Capital by Stage and Scenario

Sustaining capital covers the ongoing replacement and major-component overhaul of mining equipment, the maintenance of the concentrator, pellet plants and materials-handling systems, progressive tailings dam raises (or dry-stack lift construction), and periodic replacement of transport-related assets over the life of the operation. Sustaining capital is incurred across all three stages once each is in operation and continues through the steady-state period; it is presented by stage in Table 21 to Table 23 below.

Figure 36: Base Case life-of-mine sustaining capital cost split by area

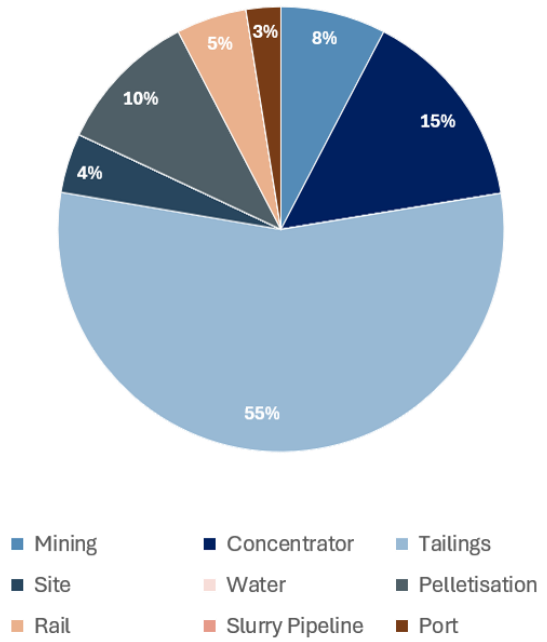


Table 21: Sustaining Capital — Scenario 1, Base Case (MUSD, real Q1 2026)

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	11	438	450
Concentrator	-	13	859	872
Tailings	90	270	2,904	3,264
Site Infrastructure and Services	9	10	236	255
Pelletising	-	11	603	613
Rail	5	9	287	301
Port and Materials Handling	-	3	145	148
Total Sustaining Capital	**105**	**328**	**5,473**	**5,905**

Table 22: Sustaining Capital — Scenario 2, Slurry Pipeline (MUSD, real 2026)

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	11	438	450
Concentrator	-	13	859	872
Tailings	90	270	2,904	3,264
Site Infrastructure and Services	9	10	236	255
Pelletising	-	11	603	613
Slurry Pipeline	10	15	284	309
Port and Materials Handling	-	3	145	148
Total Sustaining Capital	**110**	**334**	**5,469**	**5,913**

Table 23: Sustaining Capital — Scenario 3, Dry Stacked Tailings (MUSD, real 2026)

Sustaining Capital Area	Stage 1	Stage 2	Stage 3	LOM
Mining	1	11	438	450
Concentrator	-	13	859	872
Tailings	241	246	1,305	1,792
Site Infrastructure and Services	9	10	236	255
Pelletising	-	11	603	613
Rail	5	9	287	301
Port and Materials Handling	-	3	145	148
Total Sustaining Capital	**256**	**304**	**3,874**	**4,433**

6.5.3 Operating Cost by Stage and Scenario

Operating costs are built up from first principles for mining, processing, pelletising, tailings and water management, concentrate transport, and port handling and are benchmarked against comparable Labrador Trough operations. Because unit operating costs evolve as the Project ramps up, fixed costs are spread across rising production volumes and additional trains and pellet plants are progressively commissioned, the operating cost is presented by stage in

Table 24 to Table 26 below, expressed as Free on Board (**FOB**) Pointe Noire basis in real Q1 2026 US dollars per tonne of sales. Stage 3-unit costs are representative of steady-state full-capacity operation.

Free on Board (**FOB**) refers to the cost of the product delivered on board the vessel at the port of loading, in this case Pointe-Noire. The FOB operating costs presented in this section therefore include all costs incurred to that point (mining, processing, pelletising, tailings and water management, transport to port, and port handling and ship loading) but exclude ocean freight to the customer, the 2% SG&A charge on revenue, and the 1% Net Smelter Return royalty, each of which is applied separately in the financial model. FOB costs are accordingly not directly comparable with the Cost and Freight (CFR) product prices in Table 17 above.

Figure 37: Base Case steady state operating cost split by area

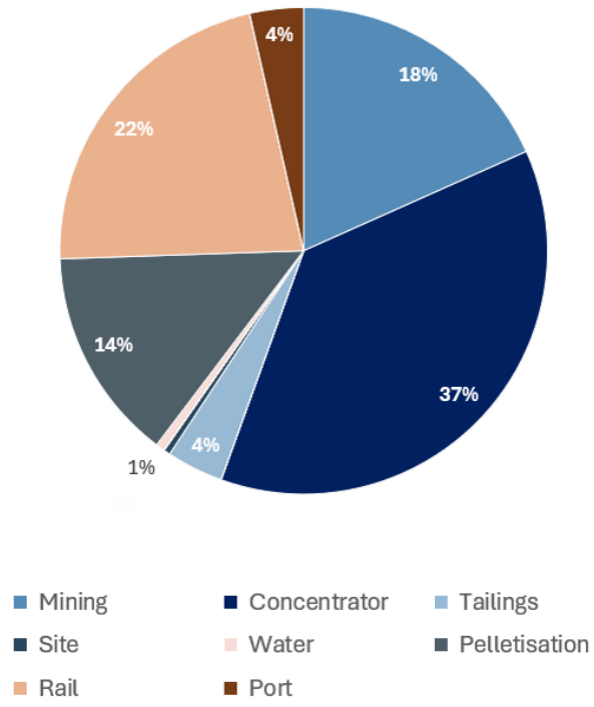


Table 24: Operating Cost — Scenario 1, Base Case (USD/t of sales, real 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.2	11.0	14.4
Concentrator	23.9	26.9	29.3
Tailings	2.4	2.8	3.0
Site Infrastructure and Services	0.3	0.3	0.3
Water Management	0.4	0.4	0.5
Pelletising	-	5.6	11.2
Rail	17.1	17.4	17.3
Port Handling and Loadout	3.5	2.2	2.8
Cash Cost (FOB Pointe-Noire)	**62.8**	**66.7**	**78.8**

Table 25: Operating Cost — Scenario 2, Slurry Pipeline (USD/t of sales, real 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.2	11.0	14.4
Concentrator	23.9	26.9	29.3
Tailings	2.4	2.8	3.0
Site Infrastructure and Services	0.3	0.3	0.3
Water Management	0.4	0.4	0.5
Pelletising	-	5.6	11.2
Slurry Pipeline	5.6	3.7	2.9
Port Handling and Loadout	3.5	2.2	2.8
Cash Cost (FOB Pointe-Noire)	**51.2**	**53.0**	**64.4**

Table 26: Operating Cost — Scenario 3, Dry Stacked Tailings (USD/t of sales, real 2026)

Operating Cost Item	Stage 1	Stage 2	Stage 3
Mining	15.2	11.0	14.4
Concentrator	23.9	26.9	29.3
Tailings	7.1	8.2	8.7
Site Infrastructure and Services	0.3	0.3	0.3
Water Management	0.4	0.4	0.5
Pelletising	-	5.6	11.2
Rail	17.1	17.4	17.3
Port Handling and Loadout	3.5	2.2	2.8
Cash Cost (FOB Pointe-Noire)	**67.5**	**72.1**	**84.5**

6.5.4 Effective FOB Operating Cost by Product

The operating costs presented above are reported on a blended basis across the Project's saleable products. Because the three products follow different processing and handling routes, and are sold at materially different realised prices, an effective operating cost has also been estimated for each product individually: BF concentrate, DR concentrate, and DR pellets.

The per-product costs in Table 27 to Table 29 below are derived by allocating each annual operating cost category to the products in proportion to their representative share of annual production and of the activity that drives the cost and then averaging the result over the duration of each stage, weighted by tonnes produced. Costs are expressed in real Q1 2026 US dollars per tonne of product, on an FOB Pointe-Noire basis.

These figures are estimates derived from the cost model rather than separately built-up product cost estimates and are intended to support Value-in-Use and product-mix analysis. They will be refined in future study phases as the product split and the cost allocation basis are developed further.

Table 27: Estimated Effective FOB Operating Cost by Product - Scenario 1, Base Case

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	62.8	59.0	63.8
Direct Reduction Concentrate	-	64.5	70.0
Direct Reduction Pellets	-	77.3	84.1

(USD/t of product, real 2026, FOB Pointe-Noire)

Table 28: Estimated Effective FOB Operating Cost by Product, Scenario 2, Slurry Pipeline

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	51.2	45.3	49.4
Direct Reduction Concentrate	-	50.8	55.6
Direct Reduction Pellets	-	63.5	69.7

(USD/t of product, real 2026, FOB Pointe-Noire)

Table 29: Estimated Effective FOB Operating Cost by Product, Scenario 3, Dry Stacked Tailings

Product	Stage 1	Stage 2	Stage 3
Blast Furnace Concentrate	67.5	64.0	69.0
Direct Reduction Concentrate	-	70.5	76.1
Direct Reduction Pellets	-	83.2	90.1

(USD/t of product, real 2026, FOB Pointe-Noire)

6.6 Taxation

The Project's taxation profile reflects its cross-jurisdictional structure: the mining and concentrating operations are in the Province of Newfoundland and Labrador (**NL**), while the downstream pelletising and port logistics operations are located in the Province of Quebec (**QC**). Federal taxation applies uniformly across all operations.

In principle, provincial corporate income taxes and provincial mining taxes would be allocated to each operating jurisdiction based on the location of permanent establishments and the source of taxable income; however, for the purpose of this PFS, a deliberately conservative simplification has been adopted whereby the higher Newfoundland and Labrador provincial corporate income tax rate of 15% is applied to all of the Project's provincial taxable income, including income that would ordinarily be attributed to the Quebec pelletising and port operations and taxed at Quebec's lower rate of 11.5%. Applying the higher NL rate across the whole Project understates the post-tax cash flow relative to a full inter-provincial income allocation, and therefore yields a lower, more conservative NPV and IRR.

This approach avoids reliance at the PFS stage on a detailed transfer-pricing and permanent-establishment income-allocation study, which requires legal and tax-structuring advice not yet finalised. The allocation of taxable income between NL and QC, and the associated benefit of the lower Quebec rate, will be examined in detail in future study phases once the corporate and operating structure is confirmed, and is expected to represent an upside to the economics presented in this chapter. The taxation analysis was developed using IBR's in-house tax model and the applicable provisions of the Federal Income Tax Act, the Newfoundland and Labrador Income Tax Act, the Quebec Taxation Act, the Newfoundland and Labrador Mining and Mineral Rights Tax Act, and the Quebec Mining Tax Act in force at the time of the PFS.

The applicable tax framework includes:

- Federal corporate income tax payable to the Government of Canada at 15% of taxable income, after application of the federal manufacturing and processing deduction where eligible.
- Provincial corporate income tax applied at the Newfoundland and Labrador rate of 15% on all of the Project's provincial taxable income. As a conservative measure at the PFS stage, this higher NL rate is also applied to the taxable income arising from the Quebec pelletising and port operations, rather than the lower Quebec rate of 11.5% that would apply under a full inter-provincial income allocation. The benefit of the lower Quebec rate is deferred to future study phases.
- Newfoundland and Labrador Mining and Mineral Rights Tax at 15% on net mining income from the mining and concentrator operations, with statutory deductions for processing assets, depreciation and exploration.
- Quebec Mining Tax does not apply to the pellet plant operations, as they constitute downstream processing of feed sourced from outside Quebec; however, payroll-related, property and other Quebec municipal/provincial levies applicable to the pellet plant and Pointe-Noire operations are included on a placeholder basis.

Key assumptions underpinning the taxation calculations are as follows:

- The Project is assumed to be held by a Canadian-resident corporate entity (or group of related entities) with permanent establishments in both NL and QC. The post-tax analysis does not reflect any future changes in corporate structure, ownership flow-through arrangements or reorganisations.
- 100% equity financing is assumed and the model in unlevered; therefore, no interest deductions or financing-related expenses are incorporated into the taxable income calculation, and no debt interest tax shield is recognised.
- Capital assets are depreciated under the Capital Cost Allowance (**CCA**) regime using a blended declining-balance rate, as set out in Section 6.6.1.
- The NL Mining Tax calculation incorporates the statutory processing allowance and the deduction for exploration and pre-production development expenditures, together with accelerated depreciation provisions for qualifying mining and processing assets.

6.6.1 Depreciation and Amortisation

Capital assets are depreciated for tax purposes under the Canadian Capital Cost Allowance (**CCA**) regime, a declining-balance system in which each asset is allocated to a prescribed class carrying its own statutory annual rate.

For the purpose of this PFS, a single blended depreciation pool has been modelled, applying an average declining-balance rate of **25% per annum**. Depreciation is applied to direct capital and sustaining capital only; indirect costs and contingency are excluded from the depreciable base.

Depreciation of the capital base commences once the tax holiday described in Section 6.6.2 has been fully claimed, that is, following the construction, commissioning and ramp-up of Stages 1 through 3. The pool is written down on a declining-balance basis thereafter.

The allocation of capital between the individual CCA classes (Class 41.2, Class 43, Class 10, Class 8, Class 1 and others) has not been undertaken at the current study phase. It will be developed in the subsequent study phases, at which point separate pools will be maintained for each class and the blended-rate assumption retired.

6.6.2 Tax Holiday

The financial model assumes an income tax holiday in the early years of production. The Company has held discussions with the Government of Newfoundland and Labrador on a tax holiday for the Project. No agreement has been reached, the form and duration have not been set, and there is no certainty that a holiday will be granted.

For this PFS the holiday is simulated as follows:

- No corporate income tax is paid for approximately the first eight years of production. Income tax is first paid in Year 9.
- Newfoundland and Labrador Mining and Mineral Rights Tax is paid in full from Year 1.
- Capital is depreciated once, under the Capital Cost Allowance regime in Section 6.6.1, with claims starting in Year 8 as the holiday ends.

In the model, the length of the holiday is set by a limit on the income that can be sheltered, equal to the Project's direct capital expenditure. This limit only sets the duration, it is not a deduction for capital and does not reduce the depreciable capital base.

The result is equivalent to a ten-year income tax holiday with depreciation claimed from Year 1 (post-tax NPV of 11,604 MUSD). A ten-year holiday limited to Newfoundland and Labrador income tax gives 11,015 MUSD, and one that also covers the Mining and Mineral Rights Tax gives 12,034 MUSD. With no holiday, post-tax NPV is 10,425 MUSD and IRR is 16.8%.

6.6.3 Effective Tax Rate

The estimated Effective Combined Tax Rate (**ETR**), inclusive of Federal income tax, Provincial income tax, NL Mining Tax, and the tax holiday, is **approximately 34.7%** of estimated eligible taxable Project Earnings Before Taxes (**EBT**) over the life of mine. The ETR will vary year-on-year and under different price and cost scenarios, depending on the timing of the tax holiday, the progressive structure of the NL Mining Tax, and Project profitability.

The taxation analysis is based on tax law as enacted at the issuance date of this PFS Update and does not anticipate future legislative changes.

6.7 Cash Flow Analysis

The summary of the financial evaluation is presented in Table 30 for all three scenarios. Unlevered free cash flows on a pre-tax and post-tax basis were calculated on a nominal basis, with the escalation rates set out in Table 16 and Table 17 applied to CAPEX, OPEX, closure costs and product realised prices over the life of the Project. The resulting nominal cash flows were discounted at a nominal WACC of 8.0% using a mid-year convention referenced to the start of construction. All scenarios are based on a long-term real-terms forecast P65 index price reflecting Wood Mackenzie expectations for high-grade iron ore over the LOM, with DR concentrate and DR pellet premiums established at PFS-stage market benchmarks.

Table 30: Economic Summary — Scenario Comparison

Economic Result	Scenario 1 Base Case (Rail)	Scenario 2 Slurry Pipeline	Scenario 3 Dry Tailings
Configuration			
Concentrate transport	*Rail*	*Slurry pipeline*	*Rail*
Tailings storage	*Wet (centreline)*	*Wet (centreline)*	*Dry stacked*
Capital Cost (real terms, 2026 base year)			
Pre-Production CAPEX (MUSD)	4,044	6,390	4,668
Life-of-Mine Production CAPEX (MUSD)	10,979	12,743	11,604
Life-of-Mine Sustaining CAPEX (MUSD)	5,905	5,913	4,433
Pre-Tax Results (nominal cash flow, 8% discount rate)			
NPV at 8% WACC (MUSD)	20,238	22,498	18,414
Internal Rate of Return (%)	21.6	19.8	19.5
Undiscounted Payback (years from first cash inflow)	8	8	8
Post-tax Results (incl. tax holidays per Section 6.6.2)			
NPV at 8% WACC (MUSD)	11,614	12,694	10,451
Internal Rate of Return (%)	17.9	16.4	16.2
Undiscounted Payback (years from first cash inflow)	8	9	9
Sustainability			
Scope 1 CO_2 intensity (kg/t sales)	29	23	29

Under the Base Case scenario, the pre-tax financial model is expected to yield a nominal IRR of 21.6% and an NPV of 20,238 MUSD at a nominal discount rate of 8.0%. On a post-tax basis (incorporating the tax holidays described in Section 6.6.2), the Base Case is anticipated to result in a nominal IRR of 17.9% and an NPV of 11,614 MUSD, with a post-tax undiscounted payback period of approximately 8 years measured from the first operating cash inflow.

The Slurry Pipeline scenario (Scenario 2) substitutes a dedicated iron ore slurry pipeline for the rail transport. Relative to the Base Case, it is expected to increase pre-production CAPEX (pipeline and pump stations) while reducing long-term unit transport OPEX and third-party access-fee exposure, while improving the Project's Scope 1 carbon intensity from approximately 29 to 23 kg/t of sales. On a post-tax basis, the Slurry Pipeline Scenario is anticipated to result in a nominal IRR of 16.4% and an NPV of 12,694 MUSD, with a post-tax undiscounted payback period of approximately 9 years measured from the first operating cash inflow.

The wet centreline tailings management strategy offers the lowest pre-production capital cost of the shortlisted options and is a well-established tailings management approach, however, it requires ongoing water management, embankment monitoring, and long-term operational and closure management consistent with conventional tailings storage facilities. The Dry Stacked Tailings scenario (Scenario 3) substitutes a filtered dry-stack facility for the wet centreline solution. Relative to the Base Case, it is expected to increase both pre-production CAPEX (filtration and materials-handling equipment) and life-of-mine OPEX (filtration power and consumables, and material placement), while removing the wet tailings dam footprint. On a post-tax basis, the Dry Stacked Tailings Scenario is anticipated to result in a nominal IRR of 16.2% and an NPV of 10,451 MUSD, with a post-tax undiscounted payback period of approximately 9 years measured from the first operating cash inflow.

The life-of-mine profiles of capital expenditure, sustaining capital, operating expenditure and cash flow for the Base Case are presented in Figure 38 to Figure 45 on the following pages.

Each cost profile is presented both in real 2026 US dollars (the basis on which the estimates were prepared) and in nominal terms (the escalated basis used in the cash flow model. The life-of-mine cash flow is presented on a nominal basis only, consistent with the DCF.

6.7.1 Base Case — Life-of-Mine Capital Expenditure (2026)

Base Case production capital expenditure by year, in real 2026 US dollars, across the three development stages. Power transmission is excluded (LCOE basis).

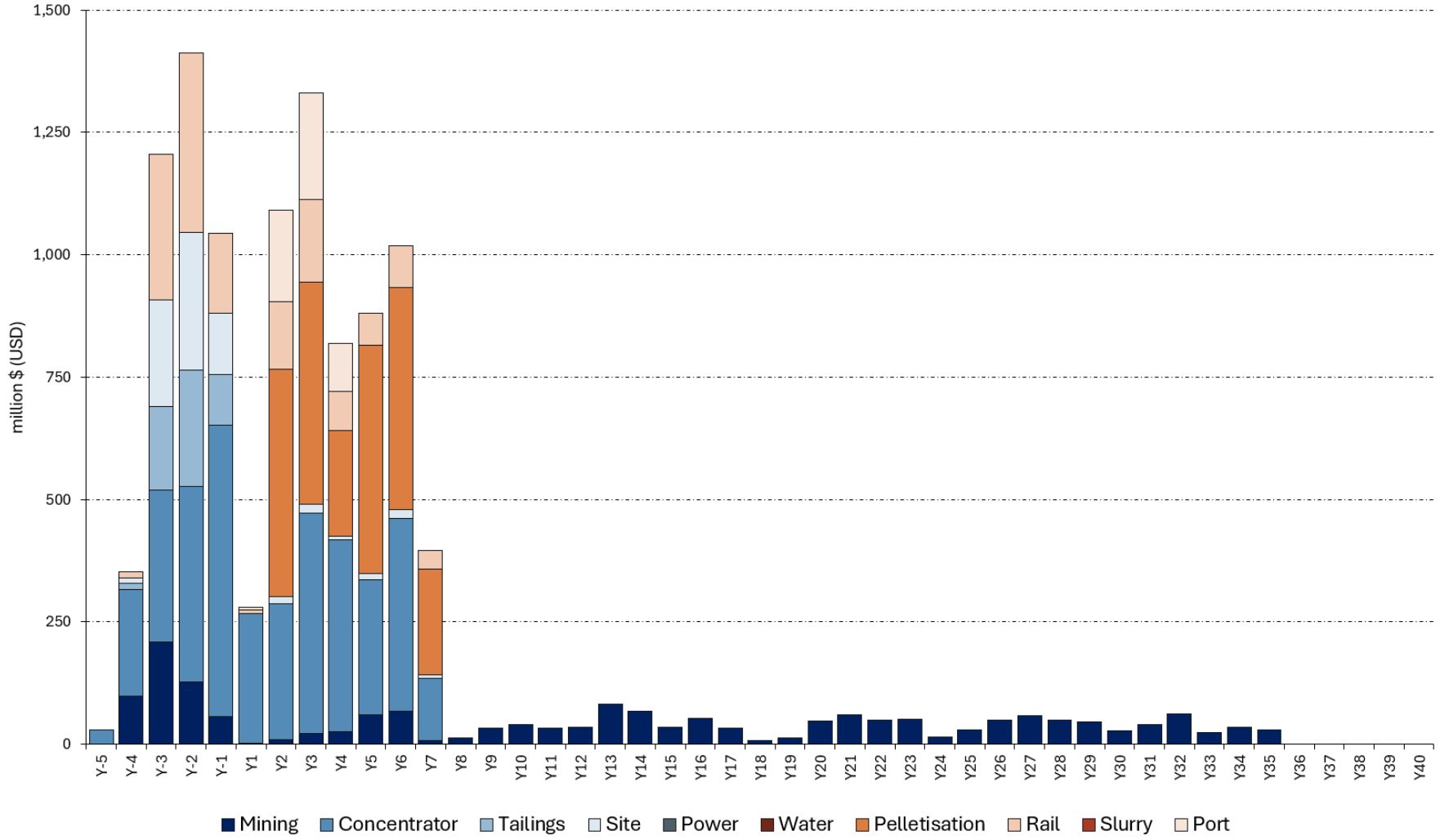


Figure 38: Life-of-Mine Capital Expenditure (2026) - Base Case

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6.7.2 Base Case — Life-of-Mine Capital Expenditure (Nominal)

Base Case production capital expenditure by year in nominal terms, escalated from the 2026 base year at the 2.5% CPI rate set out in Table 17. This is the capital profile used in the discounted cash flow model.

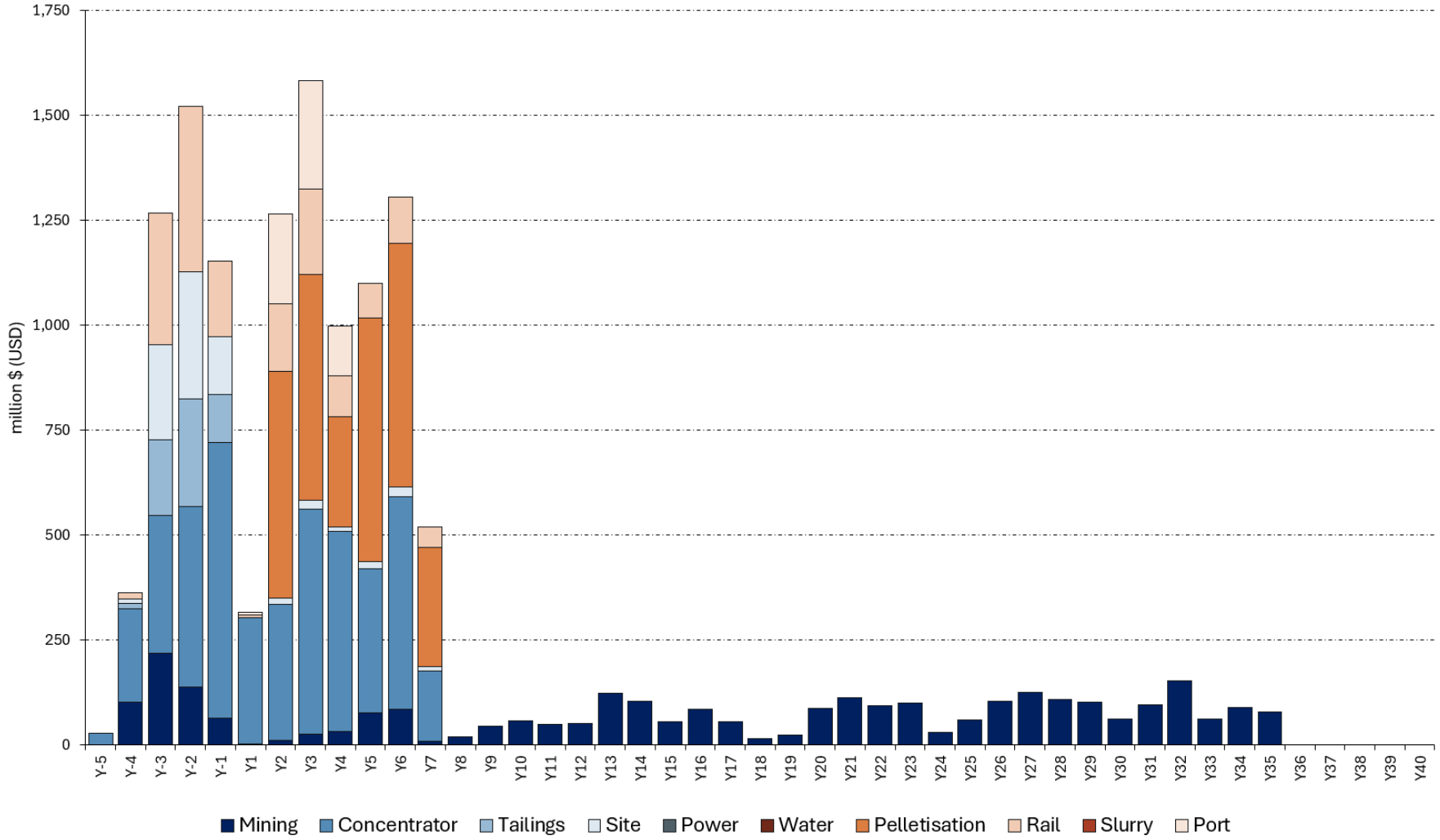

Figure 39: Life-of-Mine Capital Expenditure (Nominal) - Base Case

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6.7.3 Base Case — Life-of-Mine Sustaining Capital (2026)

Base Case sustaining capital by year, in real 2026 US dollars, covering mining equipment replacement and overhaul, concentrator and pellet plant sustaining, tailings dam raises, and transport and port sustaining capital.

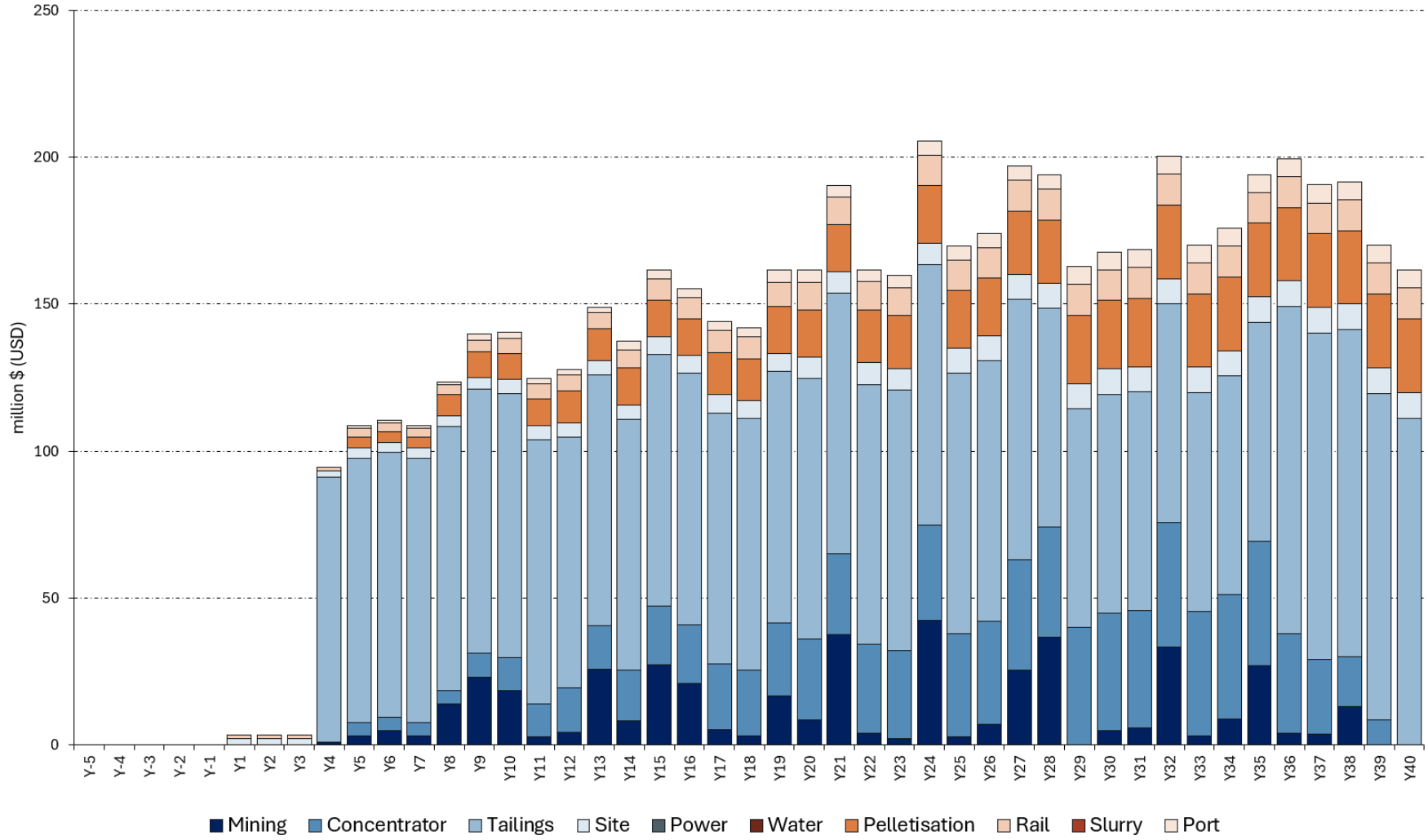

Figure 40: Life-of-Mine Sustaining Capital Expenditure (2026) - Base Case

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6.7.4 Base Case — Life-of-Mine Sustaining Capital (Nominal)

Base Case sustaining capital by year in nominal terms, escalated from the 2026 base year at the 2.5% CPI rate. This is the sustaining capital profile used in the discounted cash flow model.

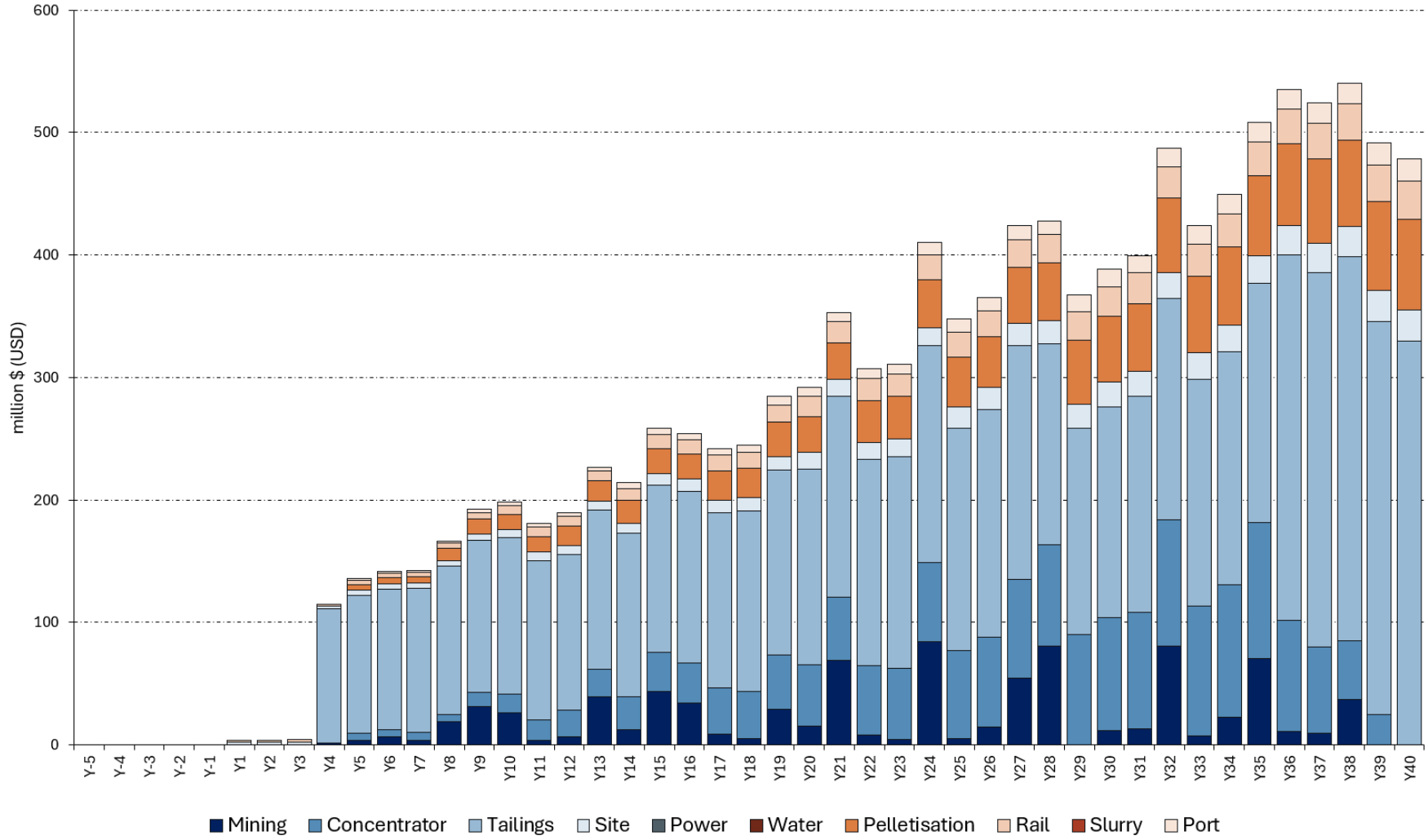

Figure 41: Life-of-Mine Sustaining Capital Expenditure (Nominal) - Base Case

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6.7.5 Base Case — Life-of-Mine Operating Expenditure (2026)

Base Case operating expenditure by year, in real 2026 US dollars, disaggregated by major cost area (mining, processing, pelletising, tailings and water, transport, and port) across the ramp-up and steady-state periods.

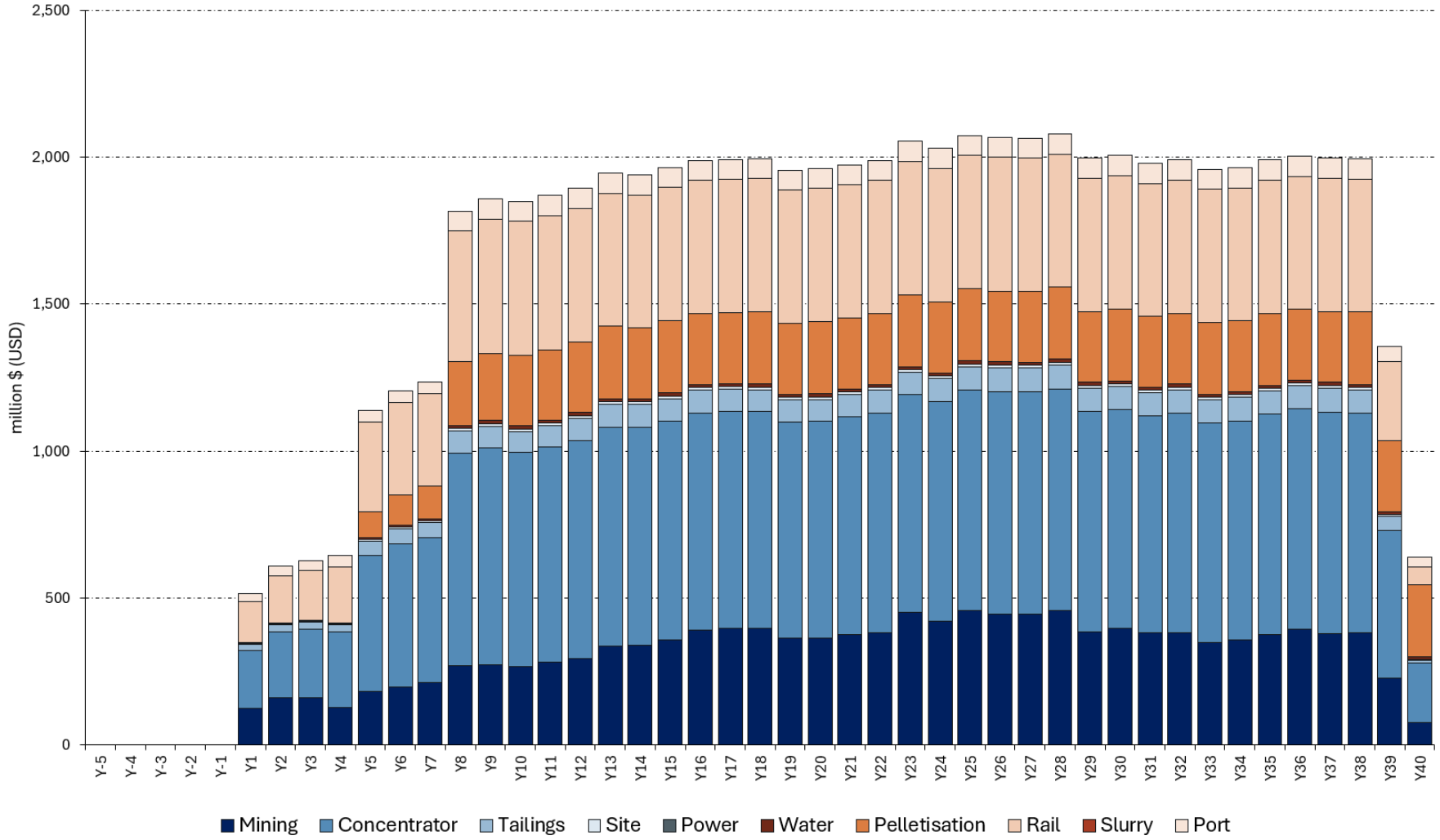

Figure 42: Life-of-Mine Operational Expenditure (2026) - Base Case

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6.7.6 Base Case — Life-of-Mine Operating Expenditure (Nominal)

Base Case operating expenditure by year in nominal terms, escalated from the Q1 2026 base year at the 2.5% CPI rate. This is the operating cost profile used in the discounted cash flow model.

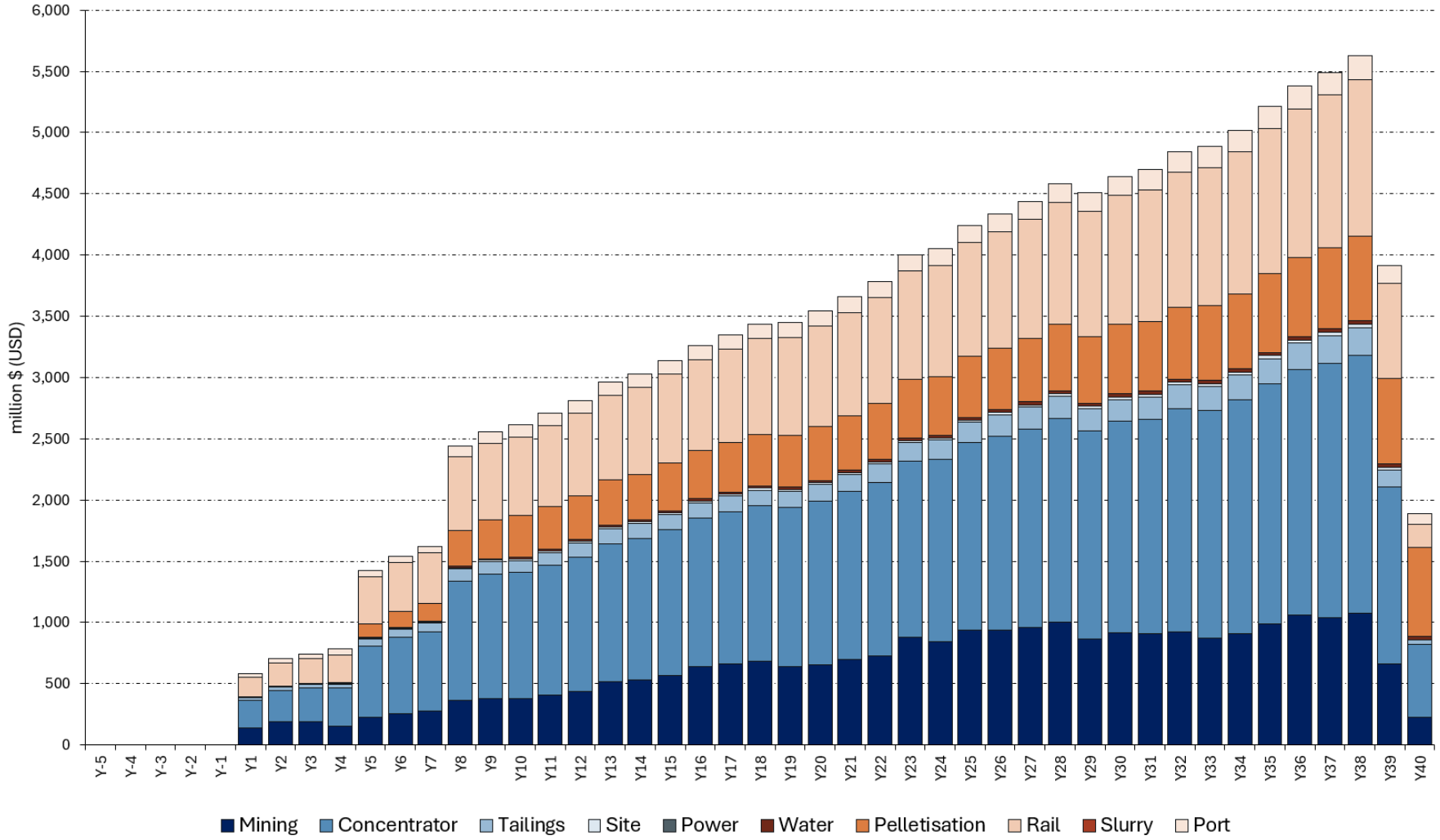

Figure 43: Life-of-Mine Operational Expenditure (Nominal) - Base Case

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6.7.7 Base Case — Life-of-Mine Cash Flows (Nominal)

Base Case annual cash flow profile in nominal terms, showing post-tax free cash flow by year over the 40-year mine life, illustrating the construction drawdown, the ramp- up, and steady-state cash generation. The cash flow is presented on a nominal basis only, consistent with the discounted cash flow model.

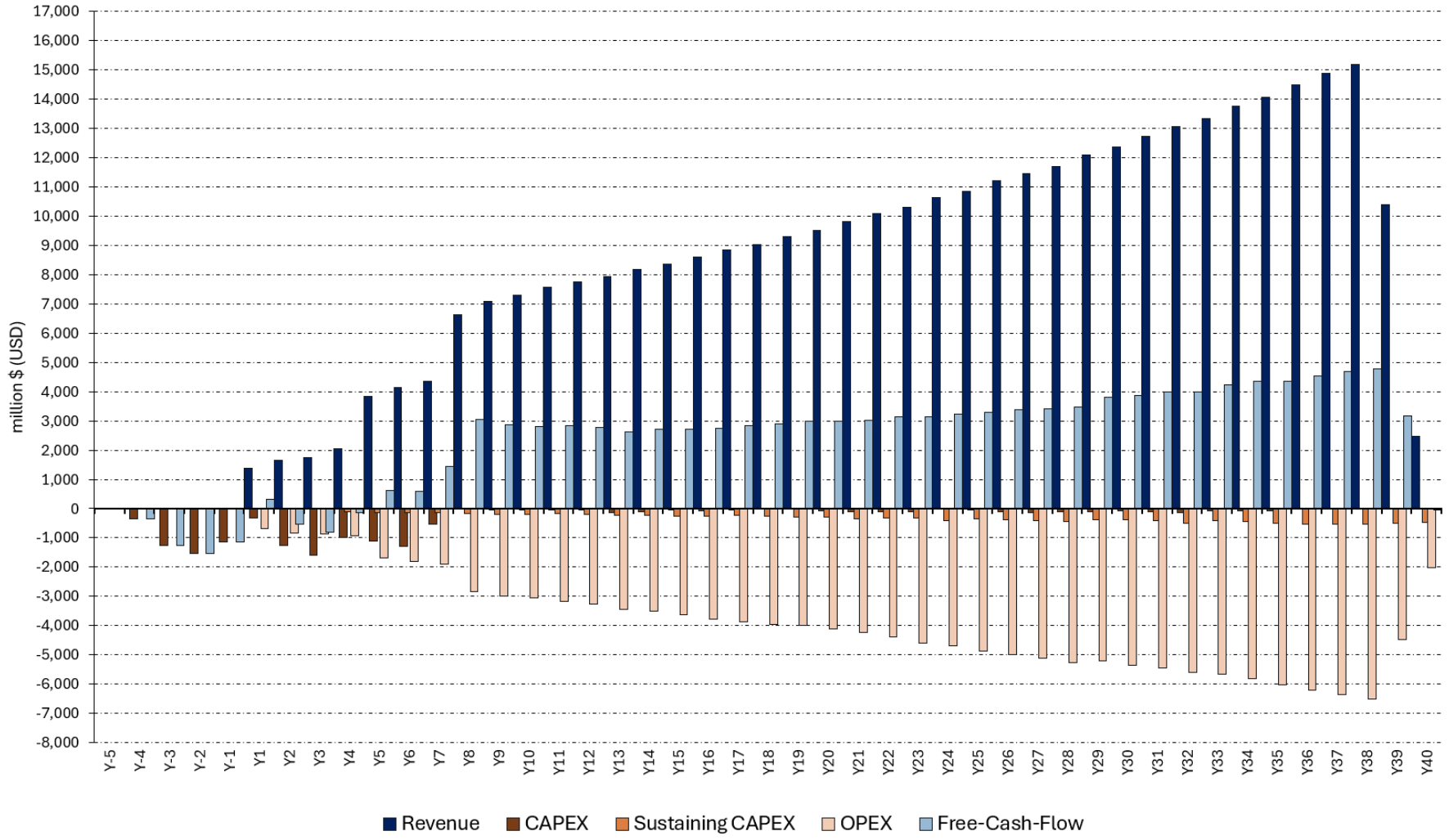

Figure 44: Life-of-Mine Cash Flows (Nominal) – Base Case

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6.7.8 Base Case — Cumulative Cash Flows (Nominal)

Base Case cumulative cash flow in nominal terms, showing the cumulative post-tax free cash flow over the 40-year mine life. The point at which the cumulative post-tax curve crosses zero marks the undiscounted payback of the Project's capital investment.

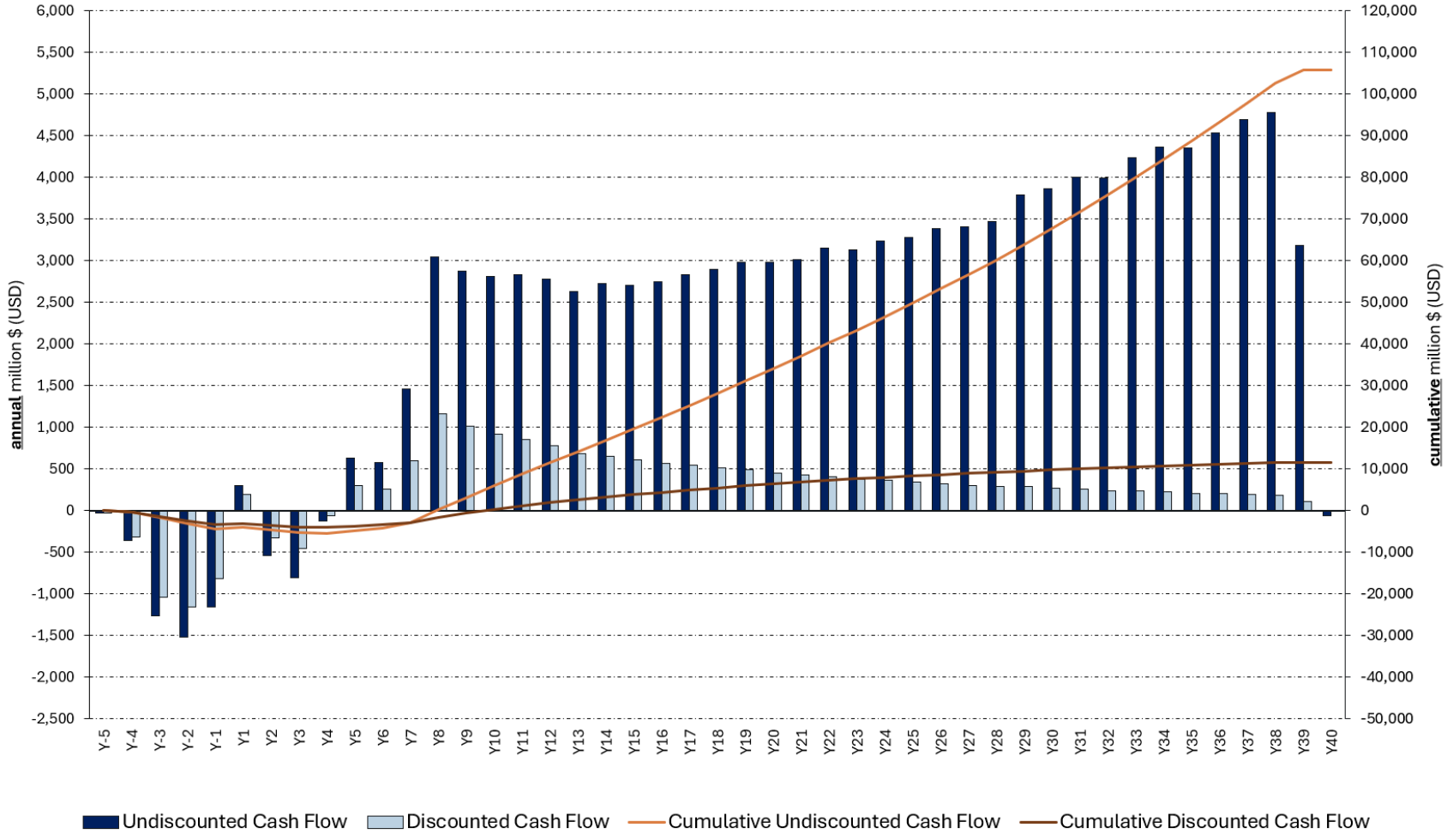


Figure 45: Cumulative Cash Flows (Nominal) – Base Case

6.8 Sensitivity Analysis

A sensitivity analysis was performed using the Base Case as the starting point to assess the impact of changes in the key input variables on the Project's post-tax NPV. Each variable was sensitised independently, on a one-at-a-time basis, holding all other inputs at their Base Case values. Two ranges were tested: ±10% and ±20%.

The five variables tested, listed in order of their impact on post-tax NPV, are:

- Weighted Average Cost of Capital (WACC) — the largest single driver of Project NPV;
- 62% Fe benchmark index price (applied to all products through the pricing structure);
- Operating cost (cash cost basis);
- Production CAPEX (mining, concentrator, infrastructure, tailings, transport, port and pellet plant); and
- Sustaining CAPEX over the life of mine.

Results are reported on a post-tax NPV basis only, IRR is not presented in the sensitivity analysis. Both are expressed as post-tax NPV at a nominal 8% discount rate, in MUSD.

Table 31: Post-tax NPV Sensitivity — ±10% (MUSD)

Variable	−10%	Base Case	+10%
Weighted Average Cost of Capital (WACC)	14,329		9,403
62% Fe Benchmark Index Price	9,237		13,967
Operating Cost (OPEX)	12,948	**11,614**	10,277
Production CAPEX	12,119		11,098
Sustaining CAPEX	11,735		11,494

Table 32: Post-tax NPV Sensitivity — ±20% (MUSD)

Variable	−20%	Base Case	+20%
Weighted Average Cost of Capital (WACC)	17,679		7,595
62% Fe Benchmark Index Price	6,838		16,324
Operating Cost (OPEX)	14,278	**11,614**	8,930
Production CAPEX	12,617		10,584
Sustaining CAPEX	11,858		11,373

The sensitivity results are presented graphically as tornado diagrams below which rank each variable by the magnitude of its impact on Base Case post-tax NPV across the tested range.

Figure 46: Base Case post-tax NPV sensitivity to key variables ±10%

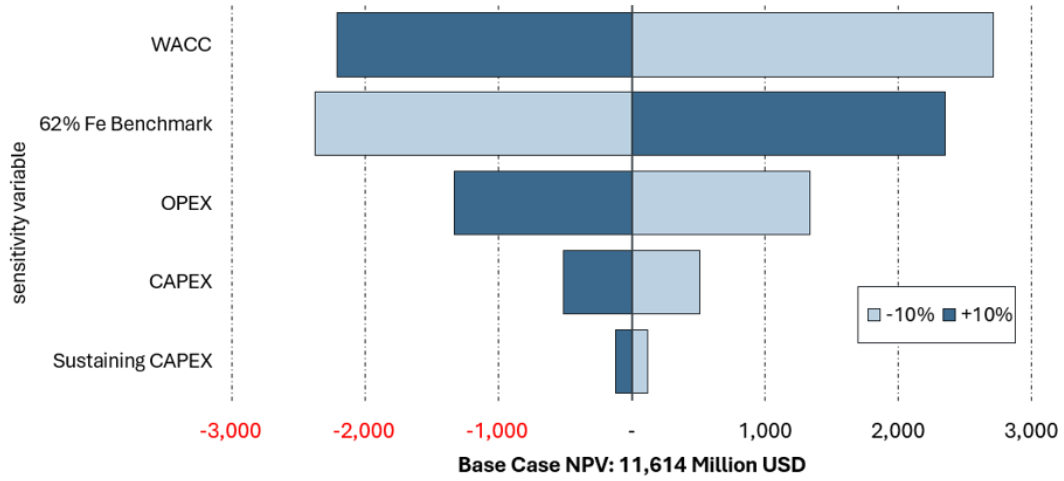
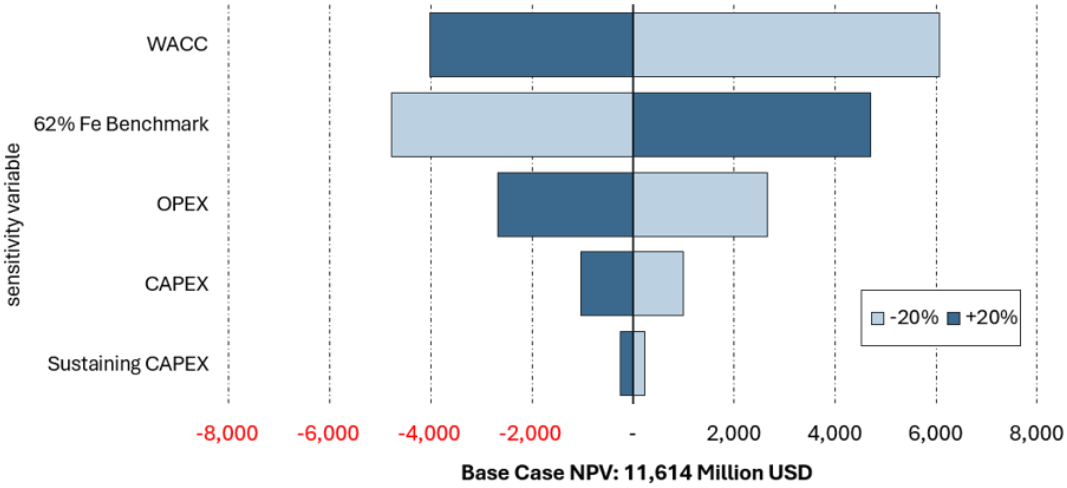


Figure 47: Base Case post-tax NPV sensitivity to key variables ±20%



The Project's economics are most sensitive to the discount rate applied, reflecting the long life of the operation and the concentration of capital expenditure in the early years, followed by the realised iron ore price and the operating cost. Production CAPEX and Sustaining CAPEX have a comparatively lower influence on post-tax NPV.

The sensitivity analysis tests each variable independently and does not capture potential correlations between input variables. A scenario-based analysis combining several variables under stressed conditions, together with a probabilistic Monte Carlo simulation, will be developed during future study phases to provide a more comprehensive view of the Project's risk-adjusted economics.

6.9 Project Funding Strategy

This pre-feasibility study refers to pre-production capital investment of approximately USD 4,044 million. In respect to the project funding requirements, the following should be noted:

a. Expenditure of USD18 million was funded by Vale under the Development Agreement. The Company intends to fund the Bankable Feasibility Study, environmental impact studies and Impact Benefit Agreements through a combination of strategic investment at the Company or Project level, offtake-linked funding, and/or equity.

b. The purpose of this work is to de-risk the Iron Bear Project and complete all the technical and sustainability studies to a bankable feasibility study level, which are pre-requisites for a Decision to Mine.

c. This pre-feasibility study has been prepared on the reasonable assumption that the required pre-production capital investment of approximately USD 4,044 million can be sourced through a combination of debt, equity, strategic partnerships and offtake arrangements, based on the projected profitability of the Iron Bear project.

d. Comparable magnetite projects to Iron Bear are typically very capital intensive but benefit from the strong demand and high prices for the high-grade magnetite concentrates produced (typically 66%–70% Fe), and additional products like pellets. As a result, comparable projects (including Bloom Lake – Champion Iron) have been successfully funded, at the decision to mine stage, via traditional project financing, leveraging debt and equity funding, as well as joint ventures and off take agreements.

Funding will be pursued through established project financing frameworks, incorporating debt facilities, equity investment, strategic partnerships, or partial divestment of project interests. Any such financing arrangements would be contingent upon achieving critical project development objectives and regulatory approvals.

6.10 Conclusion

The economic analysis indicates that the Project has the potential to be a technically viable and commercially attractive long-life producer of high-grade BF and DR concentrates and DR-grade pellets, contributing to the global iron and steel industry's transition toward low-carbon steelmaking. The combination of a 13.6 Bt Mineral Resource base, a maiden Probable Ore Reserve of 3.3 Bt at 29.1% Fe supporting a 40-year mine life, a low life-of-mine strip ratio of ~0.44, access to low-cost renewable hydropower from Churchill Falls, and established rail connectivity to the deep-water ports at Pointe-Noire and Sept-Îles provides a strong development setting within the Labrador Trough.

The three scenarios modelled, Base Case, Slurry Pipeline, and Dry Stacked Tailings demonstrate the Project's economic resilience across the principal infrastructure and sustainability trade-offs identified in the PFS. The comparative results will inform the selection of the preferred transport and tailings solutions in future study phases, balancing capital efficiency against long-term operating cost, infrastructure independence and environmental performance.

Key economic outcomes presented in this chapter remain subject to refinement during the subsequent study phases. Critical work items required to firm up the economic analysis include: completion of the Phase 4 metallurgical variability test work; future validation of the PFS-stage BALF non-thermal drying technology at scale; finalisation of the tailings management from the four shortlisted configurations; resolution of the power

ownership model; confirmation of the preferred concentrate transport solution (rail, pipeline or hybrid); confirmation of long-term iron ore pricing and DR product premium assumptions; and confirmation of the quantum and timing of the tax holidays assumed in the post-tax analysis. The economic results, when finalised, will inform the decision regarding advancement of the Project through future studies and into the Decision-to-Mine (**DTM**).



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07

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

7 Environmental, Social and Governance

Sikumiut Environmental Management Ltd. (SEM) completed a suite of environmental baseline studies, while Transfert Environnement et Société and GHD Group Limited conducted a Human and Social baseline study for the Project in 2025 to characterize the existing environmental and social conditions and to support future environmental assessment, regulatory review and project planning.

The baseline program included terrestrial ecology, terrain, water resources, aquatic ecology and atmospheric conditions (air quality and noise) components. Human and social aspects studied included Indigenous and non-Indigenous communities, rights, land use, socio-economic conditions, archaeology and heritage resources, as well as protected areas. Collectively, these studies establish pre-development environmental and social conditions and identify considerations for mitigation, monitoring and future assessment.

The 2025 Environmental baseline studies demonstrate that the Project area is characterized by boreal ecosystems, productive aquatic habitats, low ambient air and noise levels and low ARD potential.

The Human and Social baseline study reveals specific social and human contexts, characterized by the historical weight of past mining, the persistence of unresolved environmental impacts, the diversity of the local socio-economic fabric and limited local benefits of recent mining revivals. Added to this is increased sensitivity to Indigenous rights and interests and the cumulative experience of social and environmental impacts.

The baseline data provide a foundation for environmental assessment, mitigation design and long-term monitoring. Continued targeted studies, proactive engagement strategies with the communities and multi-year monitoring are recommended to support responsible project development in alignment with regulatory requirements and environmental stewardship objectives.

The exclusive use of hydropower for electrical power supply results in low CO_2 emission numbers of 29 kg/t sales (Scope 1), enhanced further to 23 kg/t sales (Scope 1) if a slurry pipeline is deployed.

7.1.1 Project Approvals

The Iron Bear Project spans two provincial jurisdictions — Newfoundland and Labrador, where the mine, concentrator and tailings are located, and Québec, where the rail corridor south of the provincial border, the Pointe-Noire pelletising plant and port facilities are situated. The power transmission corridor from Churchill Falls to the mine site has been selected to remain within Newfoundland Labrador. This dual-jurisdiction footprint, combined with the involvement of five First Nations and the multi-component nature of the Project, creates a complex and multi-layered approvals process that is one of the primary schedule drivers for project delivery.

7.1.1.1 Environmental and Social Impact Assessment — Mine, Concentrator, Tailings and Power

The primary approval requirement is the Environmental and Social Impact Assessment (ESIA) for the mine, concentrator, tailings storage facility and power transmission infrastructure. This process is expected to take up to six years and is the critical path for Phase 1 construction and first production. The ESIA must satisfy both the applicable provincial requirements in Newfoundland and Labrador and, depending on regulatory triggers, potential federal requirements under the Impact Assessment Act. Federal assessment may be triggered by interactions with species at risk, critical habitat or federal lands even where standard designation thresholds are not met. Subsequent phases can commence their permitting processes in parallel with construction and operation of the preceding phase, reducing the cumulative permitting delay across the life of project.

Baseline studies completed in 2025 — covering terrestrial ecology, water resources, aquatic environment, air quality and noise, and social and human environment — provide the foundation for the ESIA. Continued targeted studies and multi-year monitoring are required before the ESIA can be submitted.

7.1.1.2 Indigenous Consultation

Five Indigenous groups have potential interests in the Project area: the Naskapi Nation of Kawawachikamach (NNK), Nation Innu Matimekush-Lac John (NIMLJ), Innu Takuaikan Uashat mak Mani-utenam (ITUM), Innu Nation (Sheshatshiu and Natuashish communities) and NunatuKavut Community Council. Each Nation has distinct rights, interests and relationships to the land. IBR has conducted over 125 preliminary discussions with Indigenous and non-Indigenous community leaders and key regional organisations between December 2024 and December 2025. Formal consultation and, ultimately, Impact Benefit Agreements, will be required as conditions of project approvals. The pace of Indigenous engagement is an independent variable that can influence the overall permitting timeline and will require sustained, culturally appropriate engagement throughout the project development cycle.

7.1.1.3 Rail

The rail infrastructure requires environmental assessments in both Québec and Newfoundland and Labrador for new construction of this scale. The Project does not meet the federal threshold for mandatory designation under the Impact Assessment Act, as no single continuous new right-of-way of 50 km or more is required; however, federal assessment may still be triggered by species at risk interactions or proximity to federal lands. IBR intends to seek a National Interest designation, which could streamline federal review timelines, though the outcome is uncertain given limited precedent. A multi-year permitting sequence is anticipated, with the overall rail construction program spanning from late 2032 through 2037 across the three production phases, with incremental infrastructure — sidings, signalling upgrades and mainline refurbishment — added as each phase ramps up.

7.1.1.4 Power Transmission

The 315 kV transmission line from Churchill Falls requires its own environmental impact assessment, estimated at approximately 24 months, and the involvement of several Indigenous groups along the corridor means this process will require coordinated management alongside the mine ESIA. The feasibility-level study (FEL 2-3) for power is estimated at approximately 18 months and detailed engineering (FEL4) at approximately 30 months. Long-lead equipment including pylons requires custom design to site-specific conditions, with a manufacturing period of approximately 48 months for Phase 1 and 28 months for Phase 2. Commercial operation of the Phase 1 transmission infrastructure is targeted for end of 2034, with Phase 2 targeted for end of 2038. Power supply is noted in the PFS as a critical aspect not fully under IBR's control, as it depends on engagement with NL Hydro, Hydro-Québec and the relevant authorities.

7.1.1.5 Pelletising Plant

The pelletising plant(s) at Pointe-Noire is subject to Québec environmental permitting requirements, with an ESIA to be assessed as part of the BFS work. Geotechnical investigations, site assessments and engineering dust suppression and winter operability systems are required inputs before the permitting submission can be finalised. The overall delivery timeline from PFS completion through feasibility study, final investment decision, detailed design, procurement and construction is estimated at approximately four to five years before commissioning commences.

7.1.1.6 Pipeline

Should the slurry pipeline option be selected, it will require environmental assessments across both jurisdictions for the full 616 km corridor, covering numerous watercourse crossings, wetland interactions and proximity to existing infrastructure including 735 kV powerlines. Construction and installation of the pipeline is estimated at approximately 14 to 24 months once permitting is secured, with total project execution from interim engineering through to commissioning estimated at approximately 36 to 48 months.

7.1.1.7 Summary

The ESIA for the mine, concentrator, tailings and power, at up to six years, is the dominant schedule constraint for first production. All other permitting processes — rail, power transmission, pelletising plant and, if applicable, the pipeline — will need to be sequenced and managed in parallel where possible to avoid compounding delays. IBR's ability to maintain active engagement with regulators, Indigenous groups and communities across two provinces and at the federal level simultaneously is a key execution capability required to keep the project on schedule.



08
PROJECT RISK

8 Project Risk

8.1 Risk Assessment Approach

Formal project risk assessments were conducted as part of the PFS, aimed at the timely identification of risks and development of appropriate mitigation and treatment responses. The assessment covered project risk, qualitative risk identification and classification, and the development of a structured Risk and Opportunity Register. The risk management process followed a standard risk assessment framework.



Figure 48: Risk assessment framework. Courtesy Hatch.

8.1.1 Risk and Opportunity Register

Multi-disciplinary risk and opportunity workshops were convened in late 2025 and early 2026, facilitated by a dedicated risk assessment facilitator working with the full project team. The workshop applied a structured Risk Breakdown Structure (RBS) to systematically identify and categorise risks across all study areas. Each risk was evaluated in terms of likelihood and consequence severity and assigned a current risk rating used to prioritise treatment actions. Risk descriptions, categories, causes, consequences and existing controls were documented in a Project Risk Register.

At PFS level, the register identifies 26 project risks and 20 opportunities. Of the 26 risks, 16 are rated High and 10 Tolerable. Of the 20 opportunities, 6 are rated High and 14 Moderate. The register is acknowledged as a high-level and evolving document; as the project advances to BFS, the register is expected to grow substantially in depth and resolution.

The five highest-rated risks identified in the PFS are summarised below:

- Resource availability — Competing large-scale projects in the region may draw on the same labour, equipment and contractor pools during the construction phase. Mitigation includes monitoring of competing project timelines, engagement with third-party contractors, and investigation of increased automation to reduce peak labour demand.
- Permitting delays or community opposition — Community impacts associated with the new facility could result in objections that delay or jeopardise regulatory approvals. Mitigation centres on early and structured community engagement, building on the consultation programme already underway with the five Indigenous groups and local stakeholders.
- Pellet plant fuel permit — The use of low-sulphur heavy fuel oil (LSHFO) for the pellet plant requires applicable environmental permits in Québec, including potential BAPE review. Early engagement with provincial authorities is planned, with conversion to alternative fuels or a different location evaluated as a contingency.
- Water licence — A water extraction licence for process plant supply from the identified river source is not yet in place. Mitigation includes investigation of in-pit water as an alternative source and initiation of the hydrogeological investigation programme required to support the licence application.
- Schedule pressure — The target of first ore on ship by 2035 is dependent on power availability and the successful completion of the ESIA, permitting, BFS and construction on tight timelines. Mitigation includes pursuing National Interest Project designation for the rail component and advancement of permitting activities in parallel with BFS execution.

The PFS also identified 20 discrete project opportunities, of which six are rated High. The most significant include: in-pit deposition of tailings at the mine to reduce tailings storage infrastructure requirements; utilisation of existing SFPPN stockpile handling equipment during ramp-up to reduce early capital expenditure; and optimisation of power supply infrastructure to improve capital and construction efficiency.

An updated and expanded register will be a deliverable of the BFS.

8.1.2 Constructability

Constructability reviews were conducted across the major project components as part of the PFS, with the outputs documented in the Constructability Review Presentations. The reviews were structured to identify construction risks, sequencing challenges and infrastructure readiness requirements at this stage of project definition, and to inform the execution strategy for the BFS.

8.1.2.1 General

The Iron Bear Project presents a set of constructability challenges that are characteristic of remote, large-scale greenfield projects in sub-arctic Canada: extreme winter conditions, limited existing access infrastructure, long supply chains and a large peak construction workforce. The PFS execution strategy has been developed with these constraints as primary inputs, adopting a phased delivery model designed to stage capital commitment and manage construction risk.

8.1.2.2 Mine and Concentrator

The concentrator will be developed as three identical parallel processing lines, which provides a significant constructability advantage by enabling repetitive construction sequencing, parallel equipment procurement and staggered commissioning. The phased approach allows Phases 1, 2 and 3 to each be constructed over a period of up to six years, with subsequent phases commencing before prior phases are fully commissioned. This overlap reduces the overall project timeline and smooths the construction workforce profile.

8.1.2.3 Rail

The proposed rail construction programme spans through 2037, following a phased and progressive delivery strategy that connects the mine site to port and intermediate infrastructure. Construction commences at the mine site with earthworks and structures, followed by progressive track installation extending to sidings and port infrastructure in a sequence aligned with operational phase commencement.

Procurement of rail materials and rolling stock is initiated early and executed in staged tranches to address long lead times and supply-chain risk. The schedule explicitly incorporates Canadian winter conditions, with earthworks concentrated in non-winter periods and appropriate buffers applied throughout. A second track at Silver Siding, the final major rail infrastructure element, is constructed in the later years of the programme as a non-critical-path capacity enhancement once core rail operations are established.

8.1.2.4 Pipeline

The concentrate and return water pipeline systems are planned over an overall duration of approximately 36 to 48 months from commencement of interim engineering activities. The execution strategy assumes a phased progression from engineering and route definition into detailed EPCM engineering, procurement, construction and commissioning. Construction activities are expected to form the overall critical path and are estimated to require approximately 14 to 24 months depending on final route conditions and construction spread strategy. The two pipelines will be developed as an integrated system with a common right-of-way, coordinated construction spreads and shared logistics infrastructure to optimise programme efficiency. Long-lead

equipment — including linepipe, positive displacement pumps and control systems — will be procured in parallel with detailed engineering to protect the schedule.

8.1.2.5 Pellet Plant

The pellet plant execution programme is estimated to span approximately four to five years from PFS completion through feasibility study and Final Investment Decision, followed by detailed design, procurement and construction. Procurement and fabrication of the travelling grate and associated major equipment represent the principal long-lead items and will require early engagement with the selected OEM.

8.1.2.6 Power

The detailed design and manufacturing period for the Churchill Falls power expansion is estimated at 30 months, driven by turbine and generator manufacturing timelines. The transmission line programme is based on comparable projects in the region; the feasibility study phase is estimated at 18 months for each phase.

8.1.2.7 Transport Corridor

The preferred construction access corridor (Option 3) traverses approximately 630 km and passes through 129 identified obstacles including river crossings, wetlands, steep terrain and environmentally sensitive areas. The constructability assessment underpinning the corridor selection evaluated bridge requirements, culvert installations and road upgrade works along the route. The transport corridor is on the critical path for mine construction mobilisation and requires early-stage detailed engineering and environmental assessment to avoid schedule impacts.

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09
PROJECT OPPORTUNITY



9 Project Opportunity

The Project provides an opportunity to develop a high grade (69-71% Fe) magnetite concentrate and 68%Fe direct reduction pellet operation. This project will provide high quality raw material for the production of Blast Furnace, Direct Reduction pellets, and sinter feed in a market which continues to demand high quality products which attract a significant premium in the market.

The proximity of the Project to established infrastructure in the Schefferville-Pointe-Noire region, the size of its resource and relative ease of ore extraction combined with Canada's stable political and regulatory environment is a major positive for the Project. It offers the future potential for steel makers to enter into long-term off-take agreements for low-impurity iron ore to support their decarburisation efforts.

9.1 Further Project Development

The PFS establishes a technically viable development path for the Iron Bear Project and confirms that the economics support advancement to the Bankable Feasibility Study (BFS). The PFS has been completed to AACE Class 4 accuracy (±25%) across all major study areas and identifies a clear set of technical, permitting and commercial activities required before a Final Investment Decision can be made.

9.1.1 Optimisation and BFS

Before initiating the BFS, the Project Value Improvement (PVI) phase will be continued to validate opportunities to enhance project value and reduce technical risk. The PVI will focus on flowsheet optimisation — in particular advancing metallurgical test work to freeze the preferred beneficiation circuit and validate the BALF drying technology for large-scale iron ore application. Variability test work across the ore body, which was not completed within the PFS timeline, is a priority. The outcomes of this work will inform a revised and de-risked flowsheet before the BFS commences, reducing the risk of mid-study revisions and improving cost estimate accuracy.

The BFS will advance engineering definition across all study areas — concentrator, tailings, rail, power, port, pelletising and, where selected, pipeline — from the current AACE Class 4 to Class 3 accuracy (±15 to 20%), providing the level of definition required to support a funding and sanction decision. Key activities in the BFS will include detailed geotechnical investigations at the mine, TSF and transmission line corridor; hydrogeological characterisation and a site-wide water balance; confirmation of the preferred tailings management option from the four shortlisted configurations; detailed transport corridor engineering; and refinement of the project execution plan.

9.1.2 Permitting

The ESIA for the mine, concentrator, tailings and power infrastructure is on the critical path and is expected to take up to six years from commencement. Permitting activities will be progressed concurrently with the BFS, including completion of targeted environmental baseline studies, expansion of the hydrometric and hydrogeological monitoring networks, preparation and submission of regulatory applications in both Newfoundland and Labrador and Québec, and ongoing engagement with federal authorities on potential Impact Assessment Act triggers. IBR will seek a National Interest designation for the rail component to streamline federal timelines. Permitting for production phases 2 and 3 will be initiated in parallel with construction and operations of Phase 1.

9.1.3 Indigenous Engagement

Continued and structured engagement with the five Indigenous groups — the Naskapi Nation of Kawawachikamach, Nation Innu Matimekush-Lac John, Innu Takuaikan Uashat mak Mani-utenam, Innu Nation, and NunatuKavut Community Council — is essential to maintaining social licence and meeting the duty to consult requirements that underpin regulatory approvals. IBR has committed to co-developing with communities a modern mining operation, cleaning up legacy drill sites and progressing towards Impact Benefit Agreements. This engagement will be sustained throughout the BFS and permitting phases.

9.1.4 Infrastructure Development

Strengthening the definition and integration of supporting infrastructure is a priority for the next phase. This includes formalising power supply agreements with NL Hydro, Hydro-Québec and the relevant authorities for the 315 kV transmission line from Churchill Falls, advancing the logistics corridor investigation to confirm the preferred construction access route through to the mine site, and progressing the marine logistics solution for construction cargo delivery. The preferred concentrate transport option — rail, pipeline or hybrid — will be confirmed in the BFS based on updated technical, commercial and permitting assessments.

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10
APPENDICES



10 Attachment 1: JORC Table 1

Mineral Resource estimate for conversion to Ore Reserves	▪ *Description of the Mineral Resource estimate used as basis for the conversion to Ore Reserve* ▪ *Clear statement as to whether the Mineral Resources are reported in addition to, or inclusive of, the Ore Reserve*	▪ The Mineral Resource for the Iron Bear Project (Project) was updated and provided to the ASX on 12 May 2026 and forms the basis of this Ore Reserve. The Mineral Resource update was reported in accordance with JORC Code 2012. ▪ The total Mineral Resource includes a total of 13.6Bt of Indicated and Inferred resources at an average grade of 30.03% Fe and 20.68% MagFe. ▪ The Competent Person for the Mineral Resources is Mr Michael Andrew (Consultant with Snowden Optiro) ▪ The Mineral Resources are inclusive of the Ore Reserves.
Site Visits	▪ *Comment on any site visits undertaken by the Competent Person and the outcome of those visits* ▪ *If no site visits have been undertaken indicate why this is the case*	▪ Mr Joel van Anen of TME Mine Consulting Pty Ltd (Competent Person) has not undertaken a site visit due to timing limitations around the long winter season, and limited relevant site activities being undertaken during the Pre-Feasibility Study (PFS) and subsequent engineering optimisation period. ▪ Mr van Anen has been able to continue to rely on the availability of the projects expansive data sets including the PFS Report and supporting appendices, comprehensive technical reports as well as detailed geological logs, assay results, mapping information, and diamond core photos that provide a reliable basis for informing the work undertaken as Competent Person.
Study Status	▪ *The type and level of Study to enable Mineral Resources to be converted to Ore Reserves*	▪ The maiden Ore Reserve estimate as released to the ASX on 29 July 2026 remains unchanged. ▪ The PFS update as announced 23 November 2026 supported by engineering optimisation activities, has not resulted in any material changes to modifying factors. ▪ The Ore Reserve estimate has been re-evaluated for the PFS update to validate that the minor changes to the Life of Mine (LOM) plan, process circuit, production target and throughput changes, and subsequent Capex and Opex updates remain consistent with the original market announcement. Minor changes have been outlined in detail within the body of the ASX release for the PFS update. ▪ The PFS and subsequent engineering optimisation activities have been prepared to an accuracy of ±25% in accordance with an AACE Class 4 estimate using Indicated and Inferred Mineral Resources across a 40-year Life of Mine (LOM) schedule to produce approximately 27.5Mtpa (dry) of iron ore products inclusive of Blast Furnace (BF) and /or Direct Reduction (DR) concentrates and pellets. ▪ Engineering optimisation studies supporting the release of the PFS update involved the following specialist consultants and vendors: ○ Hatch ○ Ammjohn Solutions ○ BBA ○ Danieli Newfer ○ Toornado Metallurgy ○ IOS Geosciences/Hydro-Ressources

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		○ Snowden Optiro ○ TME Mine Consulting ○ Fortin Pipelines ▪ The minor changes relevant to engineering optimisation activities continue to support the Project having reasonable prospects of being technically achievable and economically mineable.
Cut-off parameters	▪ *The basis of the cut-off grade or parameters applied*	▪ The Ore Reserve is reported at a cut-off grade of 12.5% MagFe as per the maiden Ore Reserve estimate released to the ASX on 29 July 2026.
Mining Methods and Assumption	▪ *The methods and assumptions used as reported in the Study (ie; either by application of appropriate factors by optimisation or by preliminary or detailed design)* ▪ *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters such as pre-strip, access, etc* ▪ *The assumptions made regarding geotechnical parameters, grade control and pre-production drilling* ▪ *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* ▪ *The mining dilution factors used.* ▪ *The mining recovery factors used.* ▪ *Any minimum mining widths used.* ▪ *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* ▪ *The infrastructure requirements of the selected mining methods.*	**Pit Optimisation** ▪ There was no justification to undertake new Pit Optimisations for the PFS update based on immaterial changes to cost parameters, and no changes to the mineral resource estimate, geotechnical parameters, revenue price forecasts, process recoveries, or other key modifying factors. ▪ Pit optimisation results presented in the maiden Ore Reserve estimate released to the ASX on 29 July 2026 have not changed. ▪ Ore loss and dilution remains catered for in the LOM schedule by use of the regularised resource block model used for the PFS. The Smallest Mining Unit (SMU) size of 25m x 25m x 15m (XYZ) is based on the size and selectivity of the proposed mining fleet. **Mining** ▪ There have been no changes to the mining methods, equipment selection, mining assumptions or design parameters including the Pit, Waste Rock Dump (WRD) and Stockpile designs as presented in the maiden Ore Reserve estimate released to the ASX on 29 July 2026. ▪ The operation remains designed for direct tipping into the crushers. The Run of Mine (ROM) stockpile is intended to manage short-term disruptions to the crushing and conveying system. A total of approx. 5.5Mt of stockpile capacity is catered for on the ROM, a 0.1Mt increase to stockpile capacity requirements to that presented for the PFS. No long-term stockpiling is included in the mine plan. ▪ A preliminary hydrogeological study was completed by Hydro-Ressources Inc during the engineering optimisation phase incorporating field investigations, slug tests and injection tests on 16 existing diamond drill holes across the Project tenure. The study outcomes have validated the current groundwater assumptions, and therefore the allowances made for in-pit sump pumping in the mining costs which remain consistent with outputs derived for the PFS, being that based on the Projects geological setting as well as other regional project experiences where seasonal rainfall and snowmelt form the majority of water management requirements, the groundwater management requirements are not anticipated to be material to execution of the mine plan. A detailed hydrogeological study will still need to be completed as the Project progresses into more detailed study phases.

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- As outlined in the maiden Ore Reserve estimate announcement to the ASX (29 July 2026), the following components still require ongoing work to increase the levels of confidence in the modifying factors;
  - A D&B study to improve on the site-specific D&B parameters used
  - A grade control study to optimise the drill spacing and suitability of utilising blasthole sampling and probe use as a grade control standard
  - Further waste characterisation testwork for Potentially Acid Forming (PAF) and metal leaching materials to increase the quality of the dataset, better characterise the material variability, and confirm the conclusions of the initial assessment
  - Further refinement on the integration of clearing and topsoil stripping activities within the mining execution schedule given the seasonal limitations that apply

Geotechnical

- No further work has been undertaken on the Geotechnical components as presented in the maiden Ore Reserve estimate released to the ASX on 29 July 2026.
- The PFS pit design and waste rock dumps (WRD's) assessed against the PFS level Geotechnical Study (Bastion Geotechnical, 2026) conform with the pit slope design criteria recommendations and adopted Design Acceptance Criteria (DAC). Overall, the current designs retain significant conservativeness that can be further optimised in the next study phase.

DESIGN SECTOR	BENCH FACE ANGLE (°)	BENCH HEIGHT (m)	BERM WIDTH (m)	INTER RAMP ANGLE (°)
DS1	70	15	9.0	46
DS2			12.4	40
DS3			20.5	30
DS4			16.0	35
DS5			26.7	25
DS6			20.5	30

- Previous risks outlined still remain to be addressed in future geotechnical studies including expansion of the structural model detail for the Project, and completion of a detailed hydrogeological study. Additional geotechnical core drilling continues to be recommended to expand the supporting data set informing the geotechnical analysis as the project moves into future studies.

Mine schedule

- The LOM schedule has been updated and re-optimised targeting marginal increases to both process feed throughput capacity and production outputs leveraging off the design capacities available within the processing circuits.
- The revised LOM schedule is based on feeding up to a nominal 103Mtpa (dry) of process feed (a 5% increase) to achieve the production target of approximately 27.5Mtpa (dry) of BF-grade magnetite concentrate at full production (a 10% increase).

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- To achieve the increased process feed and production outputs the total ex-pit tonnage movement constraints were increased to 165Mtpa (dry), a 10% increase.
- All other key scheduling parameters and constraints remain as per the maiden Ore Reserve estimate released the to the ASX on 29 July 2026 being;
  - schedule ramp up for mining, crushing and concentrate production as supplied by Iron Bear Resources (IBR), to align with the staged development of the mine and planned process plant construction phases
  - A two-year pre-production period to facilitate site establishment and mine development as well as supply the necessary waste material for the initial tailings storage facility construction
  - Detailed pit stage and waste dump build sequencing incorporating haulage analysis included in the scheduling outputs
  - Vertical advance limitations typically up to 60m per annum
  - Maximum of four pit stages active at any one time
- The resultant LOM schedule, with the changes applied, has reduced the mine life to 40 years, down from the 44 years previously presented in the PFS announcement.
- The LOM schedule has been developed from both Indicated and Inferred Mineral Resources to achieve the processing and production targets.
- Only the Indicated Resources within the LOM schedule have been used within the cashflow modelling undertaken for the purposes of the Ore Reserve estimate, with any included Inferred Mineral Resource treated as waste and assigned zero revenue.
- The LOM schedule assumes average operation of the mining fleet and is based on first principles productivity estimates benchmarked against other equivalent sized operations in the region.

Infrastructure

- The proposed supporting mining infrastructure has not changed to that presented in the maiden Ore Reserve estimate released to the ASX on 29 July 2026.

Metallurgical Factors or Assumptions

- *The metallurgical process proposed, and the appropriateness of that process to the style of mineralisation*
- *Whether the metallurgical process is well-tested or novel in nature.*
- *The nature, amount, and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied, and the corresponding metallurgical recovery factors applied*
- *Any assumptions or allowances made for deleterious elements*

- The following key activities formed part of the engineering optimisation phase supporting this PFS update:
  - comminution circuit re-evaluation by multiple external parties focused on the HPGR circuit presented in the PFS to reduce grinding media consumables and subsequent Opex costs. The HPGR set-up has been replaced by an Autogenous Grinding (AG) mill solution.
  - review of the design capacities through the updated process flowsheet to realise additional throughput and production capacities for application to the LOM schedule. Marginal increases in capacities have been achieved.
  - A review of the construction and commissioning phase timeframes with a change to a 5, 4 and 3 year cadence for each respective phase versus the 5, 4 and 4 years cadence outlined in the PFS

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- *The existence of bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole*
- *For minerals defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet specifications?*

    - A review of the production ramp-up to align formally with a Type 2 McNulty curve versus the PFS which was between Type 2 and Type 3. The change is considered appropriate for this Project given its large scale, project study maturity, and updated flowsheet proposed

- The processing flowsheet and process plant design remains consistent with well tested and understood magnetite iron ore processing methods.
- Drying of magnetite concentrate includes a non-thermal drying component, considered novel at this scale. Future planned testwork at a larger scale will continue to de-risk this aspect.
- The Process Plant is designed to process 100Mtpa (dry) at steady state of feed containing magnetite, hematite and gangue to produce up to 27.5Mtpa (dry) of BF concentrate at a product specification of 69.1% Fe and 3.5% SiO_2.
- With reverse flotation at an 88.7% recovery, the concentrate can be upgraded to Direct Reduction (DR) grades of 71% Fe and 1.2% SiO_2 for pelletising.
- Hematite is not recovered in the process and has been validated through separate testwork and assay results as being unrecoverable.
- The process plant will be constructed and commissioned in three phases, with each phase (or train) delivering approximately 9.2Mtpa (dry) of concentrate production capacity. Phases are staged over an adjusted cadence with the second and third processing trains coming online in Years 5 and 8 respectively.
- The selected process flow for the PFS update consists of:
    - Crushing and screening with three gyratory crushers onto a primary-crushed stockpile.
    - A three stage grinding circuit incorporating AG mills, pebble crushers, ball mills, hydrocyclones, dewatering screens, Isamills, and three stage magnetic separation (wet low intensity).
    - Flotation incorporating eighteen rougher flotation columns, twelve cleaner columns, and six scavenger columns for the rougher and cleaner tails.
    - Concentrate dewatering using thickeners and magnetic dewatering drums, and drying utilising BALF dryers.
    - Final concentrate is stored in concentrate silos with analysers at the dryer discharge monitoring for target moisture of 2.5% by weight.
- The Pellet Plant, to be built offsite at Pointe-Noire, Quebec, as the base case location is a 816m^2 travelling grate pelletising plant capable of producing between 9.3Mtpa and 10.1Mtpa (dry) of pellets at a productivity of 35t/m^2 per day rate, based on nominal operating days of between 330 and 345 days per year. Two pellet plants are proposed to be constructed coming online in years 5 and 8 of operations. Excess concentrate not used for pelletising will be exported from the port facilities. A Pellet Plant location trade-off study is currently being undertaken.
- All other processing related modifying factors remain as outlined in the maiden Ore Reserve estimate released to the ASX on 29 July 2026.
- Future piloting testwork is planned for process optimisation and variability testwork and remains a priority for the next study phase.

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Environmental	▪ *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where appropriate, the status of approvals for process residue storage and waste dumps should be reported*	▪ IBR have updated the extensive project implementation plan as part of the PFS update incorporating environmental study and approvals required in the lead up to development activities commencing. ▪ All other environmental aspects of the project remains as presented in the maiden Ore Reserve estimate.
Infrastructure	▪ *The existence of appropriate infrastructure; availability of land for plant development, power, water, transportation, labour, accommodation; or the ease with which infrastructure can be provided or accessed*	▪ The infrastructure requirements detailed in the PFS have not changed. ▪ The Tailings Study has been finalised to a Class 4 AACE level of accuracy for the PFS update which continued the assessment of the various tailings storage options as outlined in the PFS including wet slurry and filtered dry stack tailings options. A centreline raised dam wet slurry disposal solution remains selected as the preferred case for the PFS update. Other wet slurry and dry stack tailings options remain possible solutions and will continue to be refined with increasing project definition and supporting testwork. ▪ Successful dewatering and drying testwork was undertaken on the dry tailings stacking option using the Bergaz non-thermal drying technology through the engineering optimisation phase. This is the same technology proposed for drying of the magnetite concentrate products. The base case for tailings dewatering for dry stacking remains the pressure filter option. Further testwork is planned to refine the operating parameters for the dry stack tailings option and continue to reduce the technical and operational risks of this tailings option. ▪ There have been no changes to the workforce, transportation and logistics, and accommodation assumptions as presented for the maiden Ore Reserve estimate.
Costs	▪ *The derivation of, or assumptions made, regarding projected capital costs in the Study* ▪ *The methodology used to estimate operating costs* ▪ *Allowances made for the content of deleterious elements.* ▪ *The assumptions made of commodity prices- for the principal products and co-products.* ▪ *The source of exchange rates in the Study* ▪ *Derivation of transport charges* ▪ *The basis for forecasting or source of treatment charges and refining charges, penalties for failure to meet specification, etc* ▪ *The allowances made for royalties payable, both government and private*	▪ Capex costs for the process plant have been updated based on the engineering optimisation outcomes for the PFS update. Capex costs for power, rail, logistics, and associated non-process infrastructure costs remain as per the PFS announcement. Capital cost estimates are at an accuracy of ±25% in accordance with a Class 4 AACE estimate. The Capex details are included within the body of the ASX announcement. ▪ Opex costs associated with achieving the LOM schedule were estimated using a combination of costs built up from first principles, vendor quotes, current available datasets, factors, and benchmarked rates form internal databases consistent with the PFS and remain valid estimates for the PFS update. ▪ Mining Capex and Opex has been reviewed and re-estimated by Snowden Optiro for the PFS update to an accuracy of ±25% based on the inputs used. A first principles approach built on the owner-operator model has been used based on scheduled material movements, equipment hours, equipment fleet requirements, equipment cost unit rates, labour hours, fixed allowances for ancillary and support activities as well as administration and technical staff. ▪ All estimated costs are based on the designs from the PFS as well as the updated process plant design and flowsheet changes and LOM schedule changes completed for the PFS update. The designs are considered fit-for-purpose for the expected duty over the life of the project. Cost estimates for this study update are based on a combination of quantified material take-offs,

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		established vendor supplied quotations, internal and external databases, benchmarking against other known projects, and factoring where required; consistent with the PFS. ▪ Indirect costs, EPCM and contingency have been applied using standard industry factors appropriate and remain at a PFS level definition. ▪ The Project has a revised Life of Mine of 40 years. ▪ Royalty payments of 1% NSR (Net Smelter Return) have been included and also 2% SG&A cost calculated on revenues ▪ All cost estimates presented are for the total Project. ▪ The foreign exchange rates in the financial model are assumed constant and are: ○ USD:AUD 0.65:1. ○ USD:CAD 0.73:1
Revenue Factors	▪ *The derivation of assumptions made regarding revenue factors including head grade, metal or commodity prices, exchange rates, transportation and treatment charges, penalties, nett smelter returns, etc* ▪ *The derivation of assumptions made of metal or commodity prices of the principal metals, minerals and co-product*	▪ Revenues are derived from the scheduled process feed grades, process recoveries, magnetite product production profile, and operational ramp-up considerations. Each commissioned train has ramp-up applied for crushing and concentrate production. Ramp-up is consistent with a Type 2 McNulty curve which is considered appropriate for this Project given its large scale, project study maturity, and updated flowsheet proposed. ▪ Iron ore product pricing has not changed from the maiden Ore Reserve estimate. The Project's iron ore products will continue to command a premium price to the benchmark iron ore pricing mechanisms due to the product grade specifications, currently up to an extra USD 35/dmt for BF Concentrates and USD 48/dmt for DR pellets. This is supported by recent market analysis on the global trends for the iron and steel market. ▪ IBR assumes CFR product prices of USD 152.00/dmt (BF Concentrate), USD 160.00/dmt (DR Concentrate), and USD 212.30/dmt (DR Pellets) for the final financial analysis. These prices include a product price premium. ▪ Product prices are on a Cost and Freight (CFR) basis.
Market Assessment	▪ *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future* ▪ *A customer competitor analysis along with likely market windows for the product* ▪ *Customer specification, testing and acceptance requirements prior to accepting a supply contract*	▪ The iron ore product prices are supported by market and value in use analysis of the Projects premium iron ore products incorporating benchmark price forecasts from Wood Mackenzie and others as detailed for the PFS and maiden Ore Reserve estimate. ▪ The market assessment remains unchanged for the PFS update.
Economic	▪ *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs, including estimated inflation, discount rates, etc* ▪ *NPV ranges and sensitivity variations in the significant assumptions and inputs*	▪ The inputs to the PFS update NPV estimations are described in the body of the ASX release and in the NPV table ▪ A sensitivity analysis of NPV variance with key assumptions is also provided. ▪ The NPV has been determined using the Discounted Cash Flow method. ▪ For the PFS update a discount rate of 8% has been used.

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		▪ Net Smelter Royalties of 1%, SG&A of 2%, Mining Tax of 15%, Provincial Tax of 15%, Federal Tax of 15%, and CPI Inflation of 2.5% has been applied across all economic parameters ▪ The model is based on yearly increments, with an assumption of 'as in operation' in 2035. ▪ The project financials as presented for the PFS update achieve significant annual average after-tax cashflows of USD 2,350m per annum with a Net Present Value of USD 11.6B after tax. ▪ The re-evaluation of the economic analysis undertaken for the PFS update to validate the Ore Reserves continues to return positive financial metrics based on the cost and revenue factors outlined. The Competent Person is satisfied that the Projects economics underpinning the Ore Reserve remains unchanged for the maiden Ore Reserve estimate as announced to the ASX on the 29 July 2026. The Ore Reserve retains a robust profit margin against reasonable cost and revenue parameter sensitivities. ▪ It should be noted the economic analysis for the Ore Reserve estimate does not include revenue from the Inferred resource included within the pit design and LOM schedule which makes up 5.0% of the total scheduled process feed tonnes.
Social	▪ *The status of agreements with key stakeholders and matters leading to social license to operate*	▪ Five Indigenous groups have asserted rights in the Project area: the Naskapi Nation of Kawawachikamach (NNK), Nation Innu Matimekush-Lac John (NIMLJ), Innu Takuaikan Uashat mak Mani-utenam (ITUM), Innu Nation (Sheshatshiu and Natuashish communities) and NunatuKavut Community Council. Each Nation has distinct rights, interests and relationships to the land. ▪ IBR has conducted over 125 preliminary discussions with Indigenous and non-Indigenous community leaders and key regional organisations between December 2024 and December 2025. Formal consultation and, ultimately, Impact Benefit Agreements (IBAs), will be required as conditions of project approvals. ▪ Ongoing stakeholder consultations and structured engagement requirements have been integrated into the project execution schedule. IBR has committed to co-developing with communities a modern mining operation, cleaning up legacy drill sites and progressing towards Impact Benefit Agreements. ▪ A support letter for Iron Bear's exploration activities was provided by the McKenzie family which owns the trap lines on which our 2026 exploration activities are planned. ▪ No IBAs (Impact Benefit Agreements) have been implemented to date. The IBAs with indigenous groups are expected to be negotiated during phase 2 of the project development
Other	▪ *Identified naturally occurring risks* ▪ *Status of material legal agreements and marketing agreements* ▪ *Status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government statutory approvals. There must be reasonable grounds to expect that all necessary government approvals will be received within timeframes anticipated in the pre-*	▪ No naturally occurring risks have been identified. ▪ Iron Block 103 Corporation, IBR's Canadian subsidiary (100% owned), continues to hold the 11 mineral licenses covering the Project area. ▪ The primary approval requirement is the Environmental and Social Impact Assessment (ESIA) for the mine, concentrator, tailings storage facility and power transmission infrastructure. This process is expected to take up to six years and is the critical path for Phase 1 construction and first production. The ESIA must satisfy both the applicable provincial requirements in Newfoundland and Labrador and, depending on regulatory triggers, potential federal requirements under the Impact Assessment Act. Subsequent construction phases can commence their permitting processes in parallel with

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	feasibility or feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the resource is contingent	construction and operation of the preceding phase, reducing the cumulative permitting delay across the life of project. ▪ An application to the Canadian Major Projects Office has been made (announced to ASX on 3 June 2026) for the project to be recognised as a Project of National Significance. If successful, this may provide an avenue to speed up approvals, improve coordination between provincial and federal jurisdictions, and provide other benefits that support the Projects development progress. ▪ Regardless of the Major Projects application, there are very reasonable grounds to expect that all relevant agreements, surface right claims, and relevant government approvals will be achieved within the timeframes required for construction commencement as outlined within the current proposed development timelines. ▪ There have been no other changes to stakeholder, risk, or approval related modifying factors to that presented in the maiden Ore Reserve estimate.
Classification	▪ *The basis for classification of the Ore Reserves into varying confidence categories* ▪ *Whether the result appropriately reflects the Competent Person's view of the deposit* ▪ *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any)*	▪ There have been no changes to the Probable Ore Reserve classification as presented in the maiden Ore Reserve estimate. ▪ All the Indicated Resource inside the pit design that has been scheduled across the presented 40 year mine life for the PFS update are classified as Probable Ore Reserves. ▪ The minor changes outlined within the PFS update have been validated as having immaterial impact on application of the material modifying factors that support the maiden Ore Reserve estimate released to the ASX on the 29 July 2026. ▪ The results of the maiden Ore Reserve estimate continue to reflect the Competent Person's view of the deposit.
Audits or reviews	▪ *The results of any audits or reviews*	▪ Contributing PFS and PFS update reports have been reviewed by appropriate technical personnel and specialist consultants. ▪ No formal audit has been completed on the Ore Reserve Estimate.
Discussion of relative accuracy/ confidence	▪ *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* ▪ *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation*	▪ Reporting of the project Ore Reserve considers; o the Mineral Resources compliant with the JORC Code 2012, o the conversion of these resources into an Ore Reserve, o a detailed mine plan capable of delivering ore to the process plant from a LOM schedule to achieve target production rates, and o the resulting mine plans consideration of material Modifying Factors such as dilution and ore loss, various project boundary constraints, phase development, processing yields and recoveries, and all cost estimates associated with project construction, mining, processing, pelletising, transporting and selling the products to be produced by the operation. ▪ The PFS update was prepared at an overall level of accuracy of the order of ±25% (Class 4 AACE estimate) and the material modifying factors are at a level of confidence that would allow an Ore Reserve to be estimated in accordance with the JORC Code 2012.

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should include assumptions made and the procedures used.

- *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*
- *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available*

- The Ore Reserve remains moderately sensitive to unfavourable changes in factors that influence revenue. These include the mine plan being able to achieve the production targets, process recoveries and mass yields, and product forecast prices. Process parameters and assumptions are based on extensive metallurgical testwork of representative feed. The mine plan has been re-optimised to achieve the updated process feed and production targets for the PFS update whilst accommodating the necessary staged development and supporting mine infrastructure requirements using suitable assumptions which have been benchmarked against other large scale taconite iron ore projects in the Labrador Trough region.

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